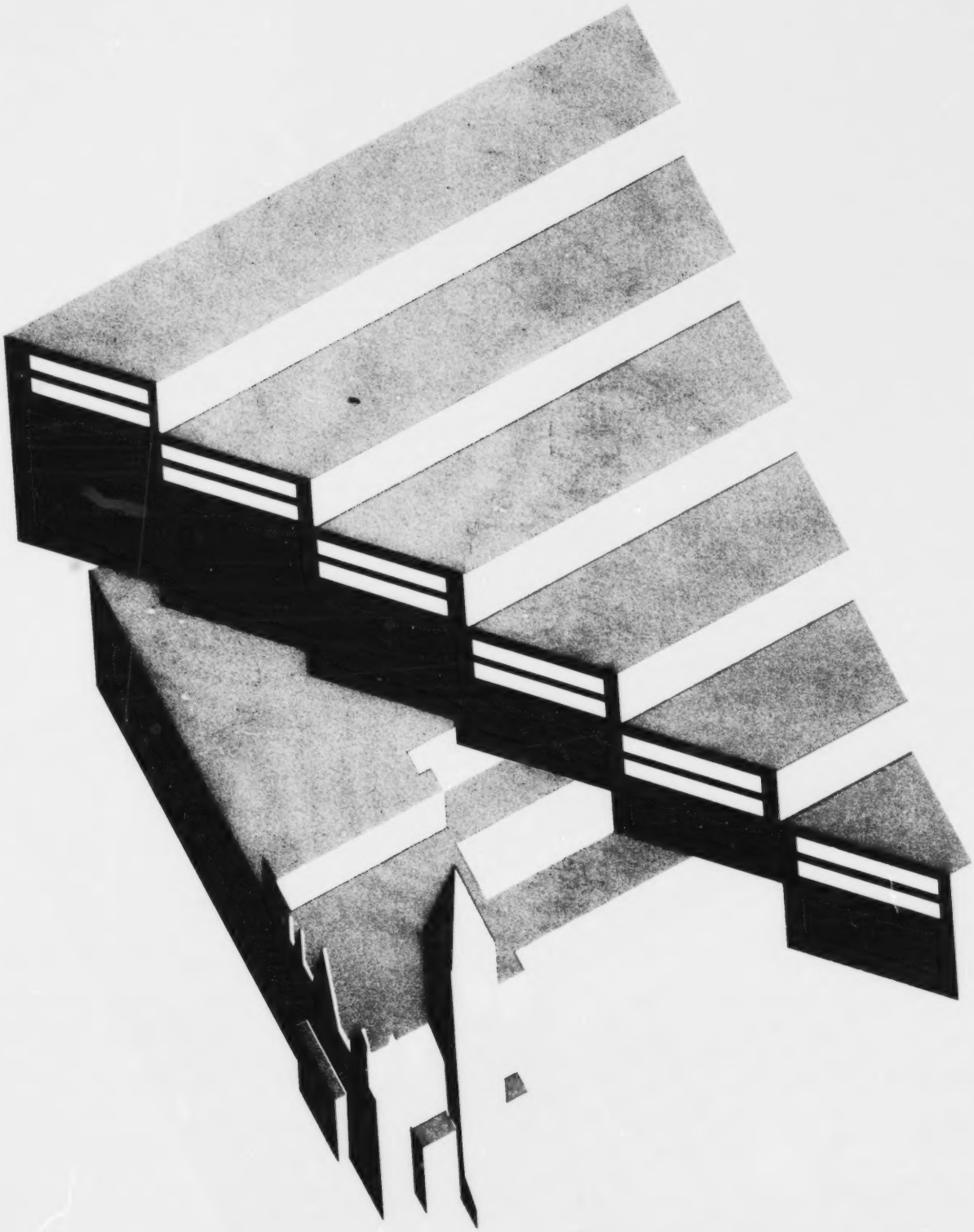
The City of Calgary Financial Report - 1985



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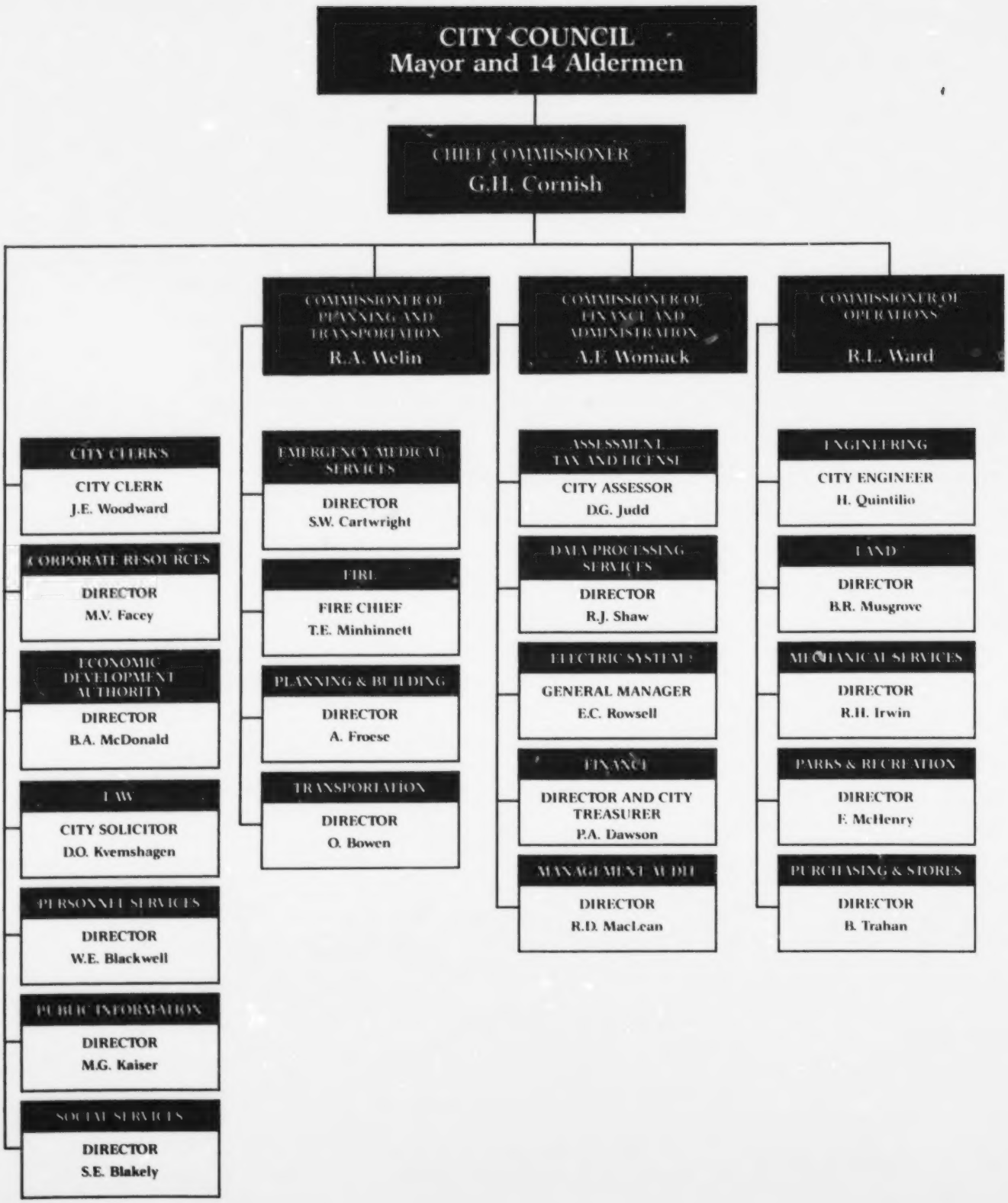

CITY COUNCIL
Mayor and 14 Aldermen
CHIEF COMMISSIONER
G.H. Cornish
COMMISSIONER OF PLANNING AND TRANSPORTATION
R.A. Welin
COMMISSIONER OF FINANCE AND ADMINISTRATION
A.E. Womack
COMMISSIONER OF OPERATIONS
R.L. Ward
CITY CLERK'S
CITY CLERK
J.E. Woodward
CORPORATE RESOURCES
DIRECTOR
M.V. Facey
ECONOMIC DEVELOPMENT AUTHORITY
DIRECTOR
B.A. McDonald
LAW
CITY SOLICITOR
D.O. Kvemshagen
PERSONNEL SERVICES
DIRECTOR
W.E. Blackwell
PUBLIC INFORMATION
DIRECTOR
M.G. Kaiser
SOCIAL SERVICES
DIRECTOR
S.E. Blakely
EMERGENCY MEDICAL SERVICES
DIRECTOR
S.W. Cartwright
FIRE
FIRE CHIEF
T.E. Minhinnett
PLANNING & BUILDING
DIRECTOR
A. Froese
TRANSPORTATION
DIRECTOR
O. Bowen
ASSESSMENT, TAX AND LICENSE
CITY ASSESSOR
D.G. Judd
DATA PROCESSING SERVICES
DIRECTOR
R.J. Shaw
ELECTRIC SYSTEM
GENERAL MANAGER
E.C. Rowsell
FINANCE
DIRECTOR AND CITY TREASURER
P.A. Dawson
MANAGEMENT AUDIT
DIRECTOR
R.D. MacLean
ENGINEERING
CITY ENGINEER
H. Quintilio
LAND
DIRECTOR
B.R. Musgrove
MECHANICAL SERVICES
DIRECTOR
R.H. Irwin
PARKS & RECREATION
DIRECTOR
F. McHenry
PURCHASING & STORES
DIRECTOR
B. Trahan

Calgary City Council

Mayor Ralph Klein

Ald. Dale Hodges
Ward 1

Ald. Theresa Baxter
Ward 2

Ald. Bob Hawkesworth
Ward 3

Ald. Don Hartman
Ward 4

Ald. Les Pears
Ward 5

Ald. Ron Leigh
Ward 6

Ald. Tim Bardsley
Ward 7

Ald. Barbara Scott
Ward 8

Ald. Al Duerr
Ward 9

Ald. Ray Clark
Ward 10

Ald. Craig Reid
Ward 11

Ald. Larry Gilchrist
Ward 12

Ald. Jim Bell
Ward 13

Ald. Diane Hunter
Ward 14

Commissioner's Report

HIS WORSHIP MAYOR RALPH KLEIN
AND MEMBERS OF CITY COUNCIL
THE CITY OF CALGARY

LADIES AND GENTLEMEN:

SUBJECT: ANNUAL REPORT ON THE FINANCIAL AFFAIRS OF THE CORPORATION OF THE CITY OF CALGARY FOR THE YEAR ENDED 1985 DECEMBER 31

In comparison to recent years, 1985 was, for the most part, a year of strong economic recovery in Calgary. This recovery was reflected by positive trends in many key economic indicators such as increased housing starts, increased retail sales, more development applications, decreased unemployment, fewer foreclosures, and a slight increase in population. From The City of Calgary's standpoint, a continued economic recovery would provide the required long term growth in our tax and user service revenue bases to fund the civic facilities and services necessary to keep pace with a growing city.

In 1985 the effect of this economic recovery began to be reflected by growth in certain of the City's revenue sources. Generally, however, this growth was small and the Corporation continued with its recent years' program of tight control over operating and capital expenditure levels. With union contracts providing for no increase in salaries and wages during 1985, and debt service cost increases considerably reduced over past years because of the City's reduced capital expenditure program, property tax increases were held to 2.9% for residential, 3.9% for non-residential.

With the 1988 Olympic Winter Games to be held in Calgary, the City has committed to improve certain municipal public facilities and to provide regular public services to a standard of service required for the Games. In 1985 City Council approved a policy for financing the incremental portion of the cost of providing services for the Games. This policy specified that sufficient funds be put in an Olympic Winter Games Reserve to be drawn down as necessary to fund these incremental costs. A contribution of 12 million dollars from the 1985 surplus was therefore contributed to this Reserve and should be sufficient to fund all incremental costs of the Games.

Another noteworthy highlight in 1985 was the establishment of a credit rating from Standard and Poors. With the phasing out of the provincial debt interest subsidy program, the City could, in the future, go the open market for debt financing. Given this, Standard and Poors was asked to do a credit evaluation of the City. This resulted in our receiving an AA credit rating, certainly indicative of a strong financial position.

Three major capital projects were also completed in 1985: The Municipal Building, the Centre for the Performing Arts, and the Northeast LRT line. With these projects being completed the Northwest LRT line remains the only large capital project underway. The rest of the capital program is geared more to maintaining the existing civic infrastructure and improving certain facilities for the 1988 Olympic Winter Games. This cautious capital program coupled with the establishment of a debt stabilization reserve to reduce borrowings required for future capital projects will have the impact of leveling out debt service costs over the upcoming years, which in the past has been the fastest growing cost the City has incurred.

In summary, 1985 was definitely a year of economic recovery in Calgary. Nonetheless, this recovery was received with cautious optimism by the Corporation. Despite signs of a return to growth by the City's revenue sources, expenditures have remained under tight control. This control has helped to maintain the strong financial position the City has achieved during the recession economy of the past few years. The attention paid to monitoring cash flows, effective management reporting of expenditures, revenues and work results, and the establishment of service improvement programs has served not only to build a strong financial base for the City, but has also shown us that these processes must remain in place to maintain this healthy position.

Yours truly,

A.F. Womack
COMMISSIONER OF FINANCE
AND ADMINISTRATION

Combined Statements

The Combined Statements present the assets, liabilities and operations of the General Fund, the Utilities, the Social Housing Programs, and the Service Funds.

THE CITY OF CALGARY
COMBINED BALANCE SHEET
December 31, 1985 (in thousands of dollars)

	1985	1984
ASSETS		
Current Assets		
Cash (Note 2)	4,043	3,544
Investments and Accrued Interest (Notes 1b and 2)	468,107	462,848
Receivables		
Taxes	20,727	30,490
Other governments	30,664	27,860
General	43,923	40,268
Inventories (Note 3)	59,646	68,301
Other Current Assets	3,636	3,056
	630,746	636,367
Capital Assets (net) (Note 4)	3,149,991	3,008,742
Deferred Pension Cost (Note 5)	1,336	1,631
Long Term Receivables	3,356	3,227
Long Term Debt Recoverable	7,549	5,851
Land Inventory	74,931	64,888
Trust Funds	34,159	22,408
Other Long Term Assets	39,974	37,727
	161,305	135,732
	3,942,042	3,780,841

Approved on behalf of City Council:

Mayor Ralph Klein

Alderman T. Baxter
Chairman, Audit Committee

	1985	1984
LIABILITIES		
Current Liabilities		
Accounts Payable (Note 1i)	139,899	133,601
Accrued Interest Payable	71,592	65,171
Contractors' Holdbacks	14,669	23,033
Short Term Borrowing	9,779	19,411
Deferred Revenue	3,628	5,095
	239,567	246,311
Long Term Debt (Note 6)	1,654,241	1,622,178
Unfunded Pension Liability (Note 5)	1,336	1,631
Capital Deposits (Notes 7 and 16)	47,083	67,398
Trust Funds (Note 16)	34,159	22,408
	1,736,819	1,713,615
COMMITMENTS AND CONTINGENT LIABILITIES (Note 8)		
EQUITY		
Equity in Capital Assets	1,638,164	1,532,612
Surplus (Note 9)	327,492	288,303
	1,965,656	1,820,915
	3,942,042	3,780,841

THE CITY OF CALGARY
COMBINED STATEMENT OF REVENUE AND EXPENDITURE
Year Ended December 31, 1985 (in thousands of dollars)

	1985	1984
REVENUE		
Property and Business Taxes (Note 10)	475,809	459,312
Revenue in Lieu of Property Taxes	84,414	78,784
	560,223	538,096
Less Requisitions from related authorities:		
Local school boards	(165,413)	(158,583)
Provincial School Foundation Program	(35,873)	(37,274)
Calgary Public Library Board	(11,799)	(10,152)
Net taxes available for municipal purposes	347,138	332,087
Sales of Goods and Services		
Electricity	292,248	282,484
Water and sewer	115,935	108,002
Public transit	38,341	35,892
Land sales and rentals	11,902	11,362
Recreation and culture	11,973	11,272
Waste disposal	5,239	5,394
Other protective services	8,172	7,734
Services to other governments	2,045	2,042
	485,855	464,182
Other Revenue		
Licenses and permits	10,032	9,195
Investment income	50,052	46,105
Calgary Parking Authority net income	5,361	4,890
Fines and penalties	21,708	28,999
Net revenue from Service Funds	3,858	3,056
	91,011	92,245
Unconditional Transfers from Other Governments		
Grant in aid	16,341	16,056
Alberta Municipal Home Incentive Program, etc.		986
	16,341	17,042
Conditional Transfers from Province		
Debenture interest rebates	51,904	45,870
Grants	41,294	35,769
	93,198	81,639
Total Revenue	1,033,543	987,195

	1985	1984
EXPENDITURE		
General Government	43,807	40,072
Protection		
Police	74,253	74,437
Fire	54,781	54,965
Other protective services	18,522	18,479
	147,556	147,881
Transportation		
Streets and traffic	48,361	47,607
Public transit	66,472	63,355
	114,833	110,962
Environmental Health		
Water and sanitary sewers	72,951	64,503
Control of the environment	26,719	25,996
	99,670	90,499
Community Development		
Parks facilities and recreation	46,781	45,241
Social services	26,557	25,787
Planning and urban development	6,410	6,048
Public housing and convention centre	4,290	4,338
	84,038	81,414
Electric System	242,117	234,358
Land Sales and Rentals	6,730	11,919
1988 Olympic Winter Games	470	292
Fiscal Charges (Note 12)	237,939	213,272
Capitalization of Cost of Funds Used During Construction (Note 13)	(6,648)	(6,007)
Total Expenditure	970,512	924,662
Total Revenue	1,033,543	987,195
EXCESS OF REVENUE OVER EXPENDITURE	63,031	62,533
Allocated as follows:		
Contributions to (from) General Surplus		
Unappropriated	8,172	27,107
From Mill Rate Stabilization Reserve	(2,132)	(12,920)
To Olympic Winter Games Reserve (Note 11)	12,080	
Reserved for Other Purposes	8,138	11,808
Contributions to Other Fund Reserves	33,184	32,707
Transfers to Capital Deposits	3,671	3,831
Adjustment of Refund to Another Government	(82)	
	63,031	62,533

THE CITY OF CALGARY
COMBINED STATEMENT OF EQUITY IN CAPITAL ASSETS
Year Ended December 31, 1985 (in thousands of dollars)

	1985	1984
CONTRIBUTIONS FROM OPERATIONS		
Opening balance	472,663	415,157
Transfers from Surplus	20,253	31,340
Debentures redeemed	31,357	28,050
Elimination of equity on disposals of fixed assets.	(114)	(2,235)
Other	(1,503)	351
Closing balance	522,656	472,663
CAPITAL DONATIONS		
Opening balance	1,059,949	1,000,232
Other governments	1,235	7,020
Private sources	8,769	7,097
Other		
Other government contribution previously netted against capital assets	1,530	
Transfers from Capital Deposits		
Other governments	42,438	44,162
Private sources	7,467	6,779
Less -		
Depreciation on donated assets	(5,880)	(5,324)
Amortization of debt reduction savings		(17)
Closing balance	1,115,508	1,059,949
	1,638,164	1,532,612

THE CITY OF CALGARY
COMBINED STATEMENT OF SURPLUS
Year Ended December 31, 1985 (in thousands of dollars)

	1985	1984
GENERAL FUND SURPLUS		
Opening balance	27,107	16,760
Transfer to Reserve for Mill Rate Stabilization	(27,107)	(8,934)
Transfer to General Fund Reserves		(7,826)
Unappropriated Excess of Revenue over Expenditure	8,172	27,107
Closing balance	8,172	27,107
RESERVE FOR MILL RATE STABILIZATION		
Opening balance	49,269	53,255
Contributions from (to) Revenue		
Contribution to Mill Rate as per Mill Rate By-law	(7,983)	(18,084)
Interest earned	5,851	5,164
Net Contribution from Revenue	(2,132)	(12,920)
Transfer from General Fund Surplus	27,107	8,934
Closing balance	74,244	49,269
GENERAL FUND RESERVES		
Opening balance	110,746	85,960
Contributions from Revenue	20,218	11,808
Transfer from General Fund Surplus		7,826
Transfer from Utility Reserves	5,000	
Transfer (to) from Service Fund Reserves	(12,090)	11,000
Transfer to Equity in Capital Assets	(2,511)	(5,848)
Closing balance	121,363	110,746
UTILITY RESERVES		
Opening balance	37,382	24,647
Contributions from Revenue	30,412	37,779
Transfer to General Fund Reserves	(5,000)	
Transfers to Equity in Capital Assets	(17,615)	(25,044)
Closing balance	45,179	37,382
SOCIAL HOUSING PROGRAM RESERVES		
Opening balance	1,038	1,034
Contributions from Revenue	453	4
Closing balance	1,491	1,038
SERVICE FUND RESERVES		
Opening balance	62,761	79,285
Contributions (to) from Revenue	2,319	(5,076)
Transfer to Equity in Capital Assets	(127)	(448)
Transfer to (from) General Fund Reserves	12,090	(11,000)
Closing balance	77,043	62,761
Combined Balance - End of Year (Note 9)	327,492	288,303

THE CITY OF CALGARY
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
Year Ended December 31, 1985 (in thousands of dollars)

	1985	1984
SOURCE OF FUNDS		
Excess of Revenue over Expenditure	63,031	62,533
Add non-working capital items	32,653	23,000
Net Contribution from Operations	95,684	85,533
Long Term Debt Issues	79,999	262,811
Contributions and Capital Deposits		
Other governments	43,373	53,312
Private sources	16,057	12,856
Other	817	(533)
Proceeds from Disposals of Fixed Assets	2,012	970
Land Inventory Transferred to Current	1,174	5,768
Recovery of Costs of Other Long Term Assets	526	588
	239,642	421,305
APPLICATION OF FUNDS		
Capital Assets		
Purchased by City	173,407	214,075
Less Capitalization of cost of equity funds used during construction	(543)	(987)
Donated to City	9,643	10,915
From Real Estate Service Fund	2,378	1,295
Capital Deposits Transferred to Trust Funds	21,884	
Land Inventory Acquired	11,388	4,389
Long Term Debt		
Redeemed	17,461	15,506
Recoverable	1,954	2,756
Other Long Term Assets	1,016	1,333
Other Applications	(70)	323
	238,518	249,605
INCREASE IN WORKING CAPITAL	1,124	171,700
Opening Working Capital	390,055	218,355
Closing Working Capital	391,179	390,055

THE CITY OF CALGARY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
December 31, 1985
(Values expressed in thousands of dollars)

1. ACCOUNTING POLICIES

The combined financial statements of the City of Calgary have been prepared on the accrual basis of accounting and reflect the following policies—

a) Combined Financial Statements

The combined statements include those funds whose operations and assets are under the control of City Council. They also include the capital assets and liabilities and the net operating expenditure of the Calgary Convention Centre, the assets, liabilities and net income of the Calgary Parking Authority, and the total of various funds held in trust by the City.

In addition the City participates in social housing programs. Accordingly the combined statements contain -

i) assets, liabilities and share of net operating expenditure of public housing activity under agreements with other governments;
ii) assets, liabilities and net income of Calhome Properties Ltd., a wholly owned corporation;
iii) operating contribution to Metropolitan Calgary Foundation, a related housing authority.

b) Investments

Investments are recorded at cost plus accrued interest and amortization of purchase premiums or discounts. At December 31, 1985, the market values of these investments totalled $471,151 (1984 - $464,197).

c) Inventories

Inventory of lands under development is valued at cost and comprises property held for resale and for subdivision development. Materials and supplies are valued at cost.

d) Capital Assets

i) Fixed assets are recorded at cost and include
- donated assets which are recorded at their estimated fair value at the time received.
- costs of debt and equity capital used during construction of Electric System facilities which are capitalized, according to calculations adopted by the Public Utilities Board of Alberta.
- debenture interest, net of provincial rebate, which was capitalized during construction of the Municipal Building.

ii) Fixed assets of the General Fund, the Transit Utility and the Social Housing Programs are not depreciated. Accordingly, debenture principal and interest are included in fiscal charges.

In the Utility Funds (excluding the Transit Utility) and in the Service Funds, fixed assets are depreciated on a straight line basis as follows:

Buildings	Over 25-50 years
Distribution Systems	
- Electrical	Over 30 years
- Waterworks	Over 50 years
- Sanitary Sewers	Over 40 years
Machinery and Equipment	Over 5-10 years
Vehicles	
- Mechanical Services	Over 6 years
Sundry	At varying rates

Depreciation of donated assets is charged directly to equity in capital assets.

e) Land Inventory

Land inventory is valued at cost and comprises lands held for future civic and commercial developments.

f) Other Long Term Assets

Other long term assets comprise mainly the City's share of costs of land and other capital assets which have been acquired by other authorities. This civic expenditure is amortized over the life of the related debenture issue, and the periodic charge for amortization is included in expenditure. Other long term assets are presented on the balance sheet net of accumulated amortization.

g) Revenue Recognition

Revenues are recorded on an accrual basis except for utility revenues. Utilities are billed on a monthly cyclical basis for a full twelve month period and no accrual is recorded for revenue earned between the last cyclical billing date and the year end.

h) Electricity Revenue

Residential and small commercial meters are read every second month. The statement of revenue and expenditure includes estimates for those meters awaiting a reading under this policy.

i) Expenditure Recognition

The City of Calgary records amounts for outstanding purchase orders on an accrual basis at the balance sheet date. Accordingly the statement of revenue and expenditure includes expenditures of approximately $3,637 (1984 - $2,515) in respect of this policy. The liability for this amount is included in accounts payable.

2. RESTRICTED FUNDS

Cash and investments of $1,551 (1984 - $1,274) relating to Calhome Properties Ltd. are restricted in use. These funds are to satisfy obligations of the housing corporation to other governments as to reserves for replacements and subsidies.

3. INVENTORIES

Inventories consist of the following:

	1985	1984
Land under development.....	$ 20,101	$ 24,927
Materials and supplies.....	39,545	43,374
	59,646	68,301

4. CAPITAL ASSETS

	1985			1984
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Uncompleted capital projects.....	$ 264,221		$ 264,221	$ 487,647
Land.....	347,395		347,395	321,457
Buildings.....	541,285	$ 22,383	518,902	400,052
Systems and Structures....	2,105,981	192,853	1,913,128	1,690,385
Machinery, Equipment and Furnishings.....	150,601	44,256	106,345	109,201
	3,145,262	259,492	2,885,770	2,521,095
	3,409,483	259,492	3,149,991	3,008,742

5. EMPLOYEE BENEFITS

a) Benefit Plans

Substantially all civic employees are members of the Local Authorities Pension Plan administered by the Province of Alberta and funded by contributions from municipal employees and their employers. The civic police force are members of the Special Forces Pension Plan also administered by the Province and funded by contributions from municipal police forces and their employers.

In addition, the City is, as a contributing employer, party to an operating agreement with the Calgary Civic Employees Benefit Society which provides group life, medical and long-term disability benefits to municipal employees in the City of Calgary.

Also, by agreement, the City is obligated to provide supplementary pension benefits to its firefighters and supplementation-of-compensation benefits to the employees or their families as a result of death or disability.

b) Benefit Obligations

An actuarial valuation dated January 23, 1986 has estimated that the Calgary Civic Employees Benefit Society would require $25,314 to provide for future benefits in respect of its long-term disability plan. The City anticipates funding its share of this amount from current surplus and from allocations of future years' surpluses. Contribution rates have been set to obtain the required surpluses.

The balance sheet amounts of deferred pension cost and related accrued liability of $1,336 (1984 - $1,631) represent the initial unfunded liability for the fire supplementary pension, determined as at December 31, 1974 and amended by subsequent actuarial calculations. The liability and accrued interest thereon is being retired in annual instalments of $367 to 1989.

The fire supplementary pension is adequately funded as to contractual and legislative requirements. However, an actuarial valuation indicates a deficiency of approximately $25 million as at December 31, 1983, if future cost-of-living adjustments and changes to federal pension ceilings are considered.

Civic employees may defer earned vacation and overtime to future years. The estimated value of $9,986 (1984 - $8,799) is not reflected in the balance sheet.

In respect of the above obligations, the City has provided a reserve of $11,973 to support future payments. This balance is subject to further review of funding strategy and disclosure.

6. LONG TERM DEBT

a) Long term debt comprises debentures of $1,552,749 (1984 - $1,519,952), predominantly with Alberta Municipal Financing Corporation; and mortgages of $101,492 (1984 - $102,226), predominantly with Alberta Mortgage and Housing Corporation. The existing debentures and mortgages mature in annual amounts to the year 2023.

b) Payments of principal on recorded debt required in the following five years are as follows:

1986.....	$50,571
1987.....	49,958
1988.....	45,993
1989.....	45,376
1990.....	45,029

c) Debenture interest is payable, before Provincial subsidy, at rates ranging from 5.25% to 18.25% per annum. Debenture debt held at year end has an average rate of interest of 13.79% (1984 - 13.79%) before Provincial subsidy, and 10.30% (1984 - 10.25%) after Provincial subsidy.

The mortgages of Calhome Properties Ltd. $85,497 (1984 - $85,671) are payable with interest ranging from 13.25% to 19.00% before subsidy, and from 2.00% to 5.00% after subsidy.

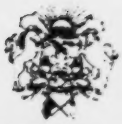
d) The Province of Alberta currently rebates interest paid on current debenture issues, except for the Electric System. However, the Province is phasing out the rebate program. Rebates continue for the full duration of all debt issues to March 31, 1982, on interest in excess of 11% (8% on issues between January 1, 1974 and March 31, 1980, and 9% on issues through to March 26, 1981). Rebates on eligible issues from April 1, 1982 to March 28, 1986 are limited to a maximum of 6%, and in some cases, a duration of 5 years. No issues after March 28, 1986 are eligible for interest rebate.

7. CAPITAL DEPOSITS

Capital deposits represent monies received for various future capital projects from land developers, pursuant to development agreements or the Planning Act and from other governments, through incentive programs or grants. The deposits must be expended on the project for which they are designated and are transferred to equity in capital assets as expenditures are made.

Current transactions are summarized below:

	1985	1984
Opening balance.....	$ 67,398	$ 67,975
New deposits.....	49,534	48,414
Investment income.....	3,671	3,825
Less -		
Transfers to		
Revenue.....	(1,651)	(1,402)
Equity in Capital Assets.....	(49,904)	(50,941)
Trust Funds.....	(21,884)	
Other.....	(81)	(473)
Closing balance.....	47,083	67,398



8. COMMITMENTS AND CONTINGENT LIABILITIES

a) Commitments totalling $75,545 (1984 - $90,576) are not reflected in the balance sheet. This amount represents incomplete portions of contracts on major projects and estimated obligations under other various agreements.

Under an agreement between the City of Calgary and the International Olympic Committee, the City is responsible for any deficit, should one occur, arising from its hosting of the 1988 Olympic Winter Games.

b) No provision has been made in the balance sheet for various lawsuits filed against the City, as legal counsel believes the City has minimum exposure as at December 31, 1985. Also no provision has been made for pending expropriations beyond the payments already made to affected property owners. Any payment made by the City pursuant to settlement is charged to the year of settlement.

c) Fixed assets and land inventory of $106,123 (1984 - $106,141) have been pledged as security against loans outstanding in the amount of $101,492 (1984 - $102,226).

9. SURPLUS

Combined surplus is attributable to the following:

	1985	1984
General Fund		
Unappropriated Surplus	$ 8,172	$ 27,107
Mill Rate Stabilization	74,244	49,269
Other Reserves		
Debt Financing	61,751	32,157
Industrial Land Equity	9,110	41,800
Parking Facilities	21,715	21,354
Future Employee Benefits	11,973	11,973
Olympic Winter Games	12,080	
Capital Expenditure	3,414	1,993
Other	1,320	1,469
	121,363	110,746
	203,779	187,122
Utility Reserves		
Electric System	35,324	28,382
Waterworks	5,000	4,000
Sanitary Sewers	4,515	5,000
Transit	340	
	45,179	37,382
Social Housing Program Reserves		
Housing Facilities	1,491	1,038
Service Fund Reserves		
Real Estate Services - Reinvested in Land and Improvements	76,624	62,634
Mechanical Services - Capital Expenditures	419	127
	77,043	62,761
	327,492	288,303

10. LOCAL IMPROVEMENT LEVIES

Business and property tax revenue includes $5,394 (1984 - $5,342) of local improvements levied in the current year. These levies are collectable from property owners for work authorized by them and performed by the City. The costs of construction and borrowing are recovered in annual amounts during the period of related borrowing to a maximum of fifteen years. At December 31, 1985, long term debt includes $37,000 relating to local improvement borrowings. Future recoveries of these borrowings are not reflected in the balance sheet.

11. 1988 OLYMPIC WINTER GAMES

The City of Calgary has agreed to improve certain municipal public facilities for the 1988 Olympic Winter Games and to contribute up to a maximum of $10,000 towards the related costs. Funding for these improvements is provided within the City's annual capital budgets.

The City has also agreed to provide regular public services to a standard of service required for the Olympic Games. To fund the incremental costs incurred to provide these services, the City has allocated a contribution with interest of $12,205 from its 1985 excess of revenue over expenditure to a reserve for the Olympic Games. 1985 incremental expenditures applied to this reserve amount to $125.

12. FISCAL CHARGES

	1985	1984
Interest on Long Term Debt	$205,318	$177,341
Other Interest	3,053	9,414
Long Term Debt Payments	28,699	25,717
Other	869	800
	237,939	213,272

In addition to the above, fiscal charges of $28,567 (1984 - $29,158) for certain activities are included within other revenue and expenditure items.

13. CAPITALIZATION OF COST OF FUNDS USED DURING CONSTRUCTION

The amounts capitalized are as follows:

	1985	1984
Debt	$ 6,105	$ 5,020
Equity	543	987
	6,648	6,007

14. CAPITAL LEASES

Certain transit buses have been acquired under long term leases which transferred to the City of Calgary substantially all of the economic benefits to be derived from the buses during their lifetime. Had these leases been capitalized retroactively as assets of the City of Calgary, and a corresponding liability recognized, balance sheet amounts would have increased as follows:

	1985	1984
Capital Assets.....	$ 8,397	$ 8,397
Long Term Debt.....	6,312	7,257
Equity in Capital Assets.....	3,420	2,475

15. COMPARATIVE AMOUNTS

Certain 1984 comparative amounts have been restated to conform with the presentation of the current year.

16. CAPITAL DEPOSITS AND TRUST FUNDS

During 1985 the City of Calgary and the two local school boards signed a joint use agreement relating to certain lands and monies administered by the City. In accordance with the trust provisions of this agreement, capital deposits and related investments, each amounting to $21,884 at the effective date of the agreement, were transferred to trust funds.

Auditor's Report

Deloitte
Haskins + Sells

Chartered Accountants

2300, 255-5 Avenue S.W.
Bow Valley Square 3
Calgary, Alberta T2P 3G6
(403) 298-3900
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To His Worship the Mayor
and Members of Council
The City of Calgary

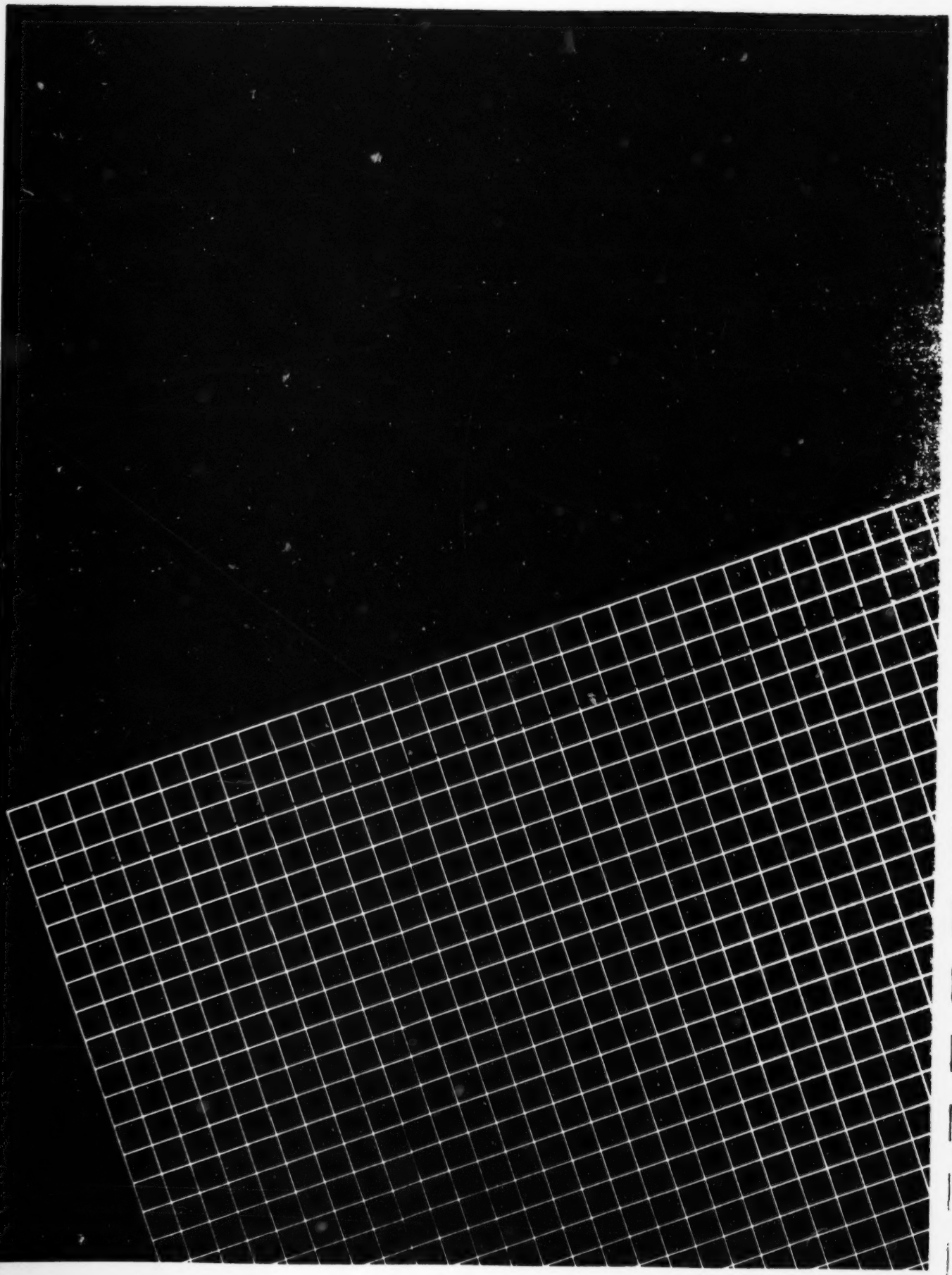
We have examined the combined balance sheet of the City of Calgary as at December 31, 1985 and the combined statements of revenue and expenditure, equity in capital assets, surplus, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these combined financial statements present fairly the financial position of the City of Calgary as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in the notes to the financial statements applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

Auditors

April 25, 1986



Schedules and Statistics

THE CITY OF CALGARY
SCHEDULE OF CAPITAL ASSETS - Unaudited
December 31, 1985 (in thousands of dollars)

	ASSET BALANCES AT YEAR END					
	UNCOMPLETED CAPITAL PROJECTS	LAND	BUILDINGS	SYSTEMS AND STRUCTURES	MACHINERY, EQUIPMENT, FURNISHINGS	TOTAL
PROTECTION						
Fire	43	1,351	18,347	180	9,704	29,625
Police	3,556	2,592	14,134	2,328	5,634	28,244
Emergency Medical Services					1,299	1,299
TRANSPORTATION						
Streets, Roads and Lanes	99,910	121,191	7,298	625,017	8,379	861,795
Parking Authority	379	5,777		23,146	2,093	31,395
Other	454			6,505		6,959
ENVIRONMENTAL HEALTH						
Garbage and Waste Collection	79	5,933	7,219	2,891	1,474	17,596
Sewer and Water Connections				9,635		9,635
Drains and Ditches	421	2,119		124,671	92	127,303
COMMUNITY DEVELOPMENT						
Social Services		29	1,735		13	1,777
Urban Renewal	5,799	1,020				6,819
Recreation and Culture	7,313	64,987	110,484	77,366	3,361	263,511
GENERAL GOVERNMENT	103,149	51,287	53,264	53	29,755	237,508
	221,103	256,286	212,481	871,792	61,804	1,623,466
UTILITIES						
Electric System	5,533	4,309		309,951	5,232	325,025
Waterworks	2,033	2,034		426,049	10,976	441,092
Sanitary Sewers	3,644	1,211	152,780	139,854	1,281	298,770
Transit System	31,583	41,588	87,510	355,556	757	516,994
	42,793	49,142	240,290	1,231,410	18,246	1,581,881
SERVICE FUNDS						
Mechanical Services	325	17	8,037		70,492	78,871
Real Estate Services		2,823		2,779		5,602
	325	2,840	8,037	2,779	70,492	84,473
SOCIAL HOUSING PROGRAMS		39,127	80,477		59	119,663
Total	264,221	347,395	541,285	2,105,981	150,601	3,409,483
LESS: ACCUMULATED DEPRECIATION			(22,383)	(192,853)	(44,256)	(259,492)
NET CAPITAL ASSETS	264,221	347,395	518,902	1,913,128	106,345	3,149,991

THE CITY OF CALGARY
SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST - Unaudited
December 31, 1985 (in thousands of dollars)

	1985		1984	
	Amortized Value	Market Value	Amortized Value	Market Value
CITY FUNDS				
Short Term				
Capital projects	17,825	17,808	34,070	34,114
Specific reserves	79,782	75,581	94,103	94,302
General use	275,232	279,217	287,567	288,295
	372,839	372,606	415,740	416,711
Long Term				
Capital projects	5,981	5,991	9,506	9,514
Specific reserves	78,700	81,954	36,808	37,137
General use	10,587	10,600	794	835
	95,268	98,545	47,108	47,486
	468,107	471,151	462,848	464,197
TRUST FUNDS				
Short Term	29,046	29,018	22,336	22,349
Long Term	5,158	5,377		
	34,204	34,395	22,336	22,349

THE CITY OF CALGARY
ANALYSIS OF MILL RATE - Unaudited
For the 1985 Taxation Year

	1985		1984	
	Residential	Non - Residential	Residential	Non - Residential
MUNICIPAL				
General Municipal Purposes...	56.3735	80.4931	55.1799	77.8274
Library.....	3.7796	3.7796	3.2831	3.2831
Alberta Planning Fund and Hospital Districts.....	.1169	.1169	.1070	.1070
	60.2700	84.3896	58.5700	81.2175
EDUCATION				
Provincial School Foundation Program Fund.....		29.5004		31.1425
Public and Separate School Board Requisitions..	53.2200	53.2200	51.2200	51.2200
	53.2200	82.7204	51.2200	82.3625
	113.4900	167.1100	109.7900	163.5800

ADDITIONAL INFORMATION		
Taxable Assessment.....	$2,981,000,000	$2,963,300,000
Estimated Population, December 31.....	630,000	620,000
Taxable Assessment per capita.....	$ 4,730	$ 4,780

THE CITY OF CALGARY
CONTINUITY OF TAXES RECEIVABLE - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	Current Taxes Property	Current Taxes Business	Tax & Penalty Arrears	Total
BALANCE, January 1			34,299	34,299
Current levies	404,183	72,078		476,261
Non-tax items for collection	1,068	34		1,102
Penalties	3,129	455	2,802	6,386
Cancellations of tax arrears			(1,841)	(1,841)
Write-off of business taxes		(224)	(1,067)	(1,291)
NET COLLECTABLE	408,380	72,343	34,193	514,916
Collections				
Payments	(393,413)	(69,532)	(28,589)	(491,534)
Discounts	(105)	(659)		(764)
Transfers to arrears	(14,862)	(2,152)	17,014	
BALANCE, December 31			22,618	22,618
Allowance for doubtful tax accounts			(1,891)	(1,891)
Net Balance			20,727	20,727

COLLECTION PERCENTAGES

1985	96.4	97.0	83.6	95.6
1984	94.6	96.1	75.2	93.2

THE CITY OF CALGARY
STATISTICAL REVIEW - Unaudited
1976 to 1985

	Unit of Expression	1985	1984
POPULATION Estimated, December 31	unit	630,000	620,000
AREA	sq. km.	527	527
TAXABLE ASSESSMENT	$000's	2,981,000	2,963,300
Total per capita	$	4,730	4,780
Residential portion	%	64	64
TAX LEVY	$000's	475,809	459,312
Municipal	%	55.2	55.2
Education	%	42.3	42.6
Public Library Board	%	2.5	2.2
MILL RATES (RESIDENTIAL)			
Municipal	mills	56.490	55.287
Education and Library	mills	57.000	54.503
MILL RATES (NON-RESIDENTIAL)			
Municipal	mills	80.610	77.934
Education and Library (a)	mills	86.500	85.646
TAX ARREARS	$000's	22,618	34,299
Per capita	$	36	55
Portion of Net Collectable	%	4.4	6.8
BUILDING PERMITS Applied for	$000's	477,914	399,715
COMBINED CAPITAL EXPENDITURE	$000's	184,885	225,298
COMBINED CAPITAL ASSETS	$000's	3,149,991	3,008,742
Financed approximately by (b)			
a) Capital donations	%	34.9	35.2
b) Civic operations	%	17.1	15.7
c) Long term debt outstanding	%	52.0	53.9
COMBINED LONG TERM DEBT	$000's	1,654,241	1,622,178
Mill rate supported (c)	%	64.5	62.6
Per Capita, mill rate supported	$	1,677	1,639
COMBINED FISCAL CHARGES			
Before provincial subsidy	$000's	237,939	213,272
Share of operating expenditure	%	24.5	23.2
After provincial subsidy	$000's	186,035	167,402
Share of operating expenditure	%	19.2	18.2
COMBINED OPERATING			
Revenue	$000's	1,033,543	982,708
Expenditure	$000's	970,512	920,175
GENERAL REVENUE SOURCES	$000's	562,444	541,326
Taxes and grants-in-lieu	%	61.7	61.8
Government transfers	%	14.7	14.0
General operations	%	18.0	18.9
Utilities and Service Funds Contributions	%	5.6	5.3

All combined amounts above reflect assets, liabilities and operations of the General Fund, the Utilities, Social Housing Programs, and the Service Funds.

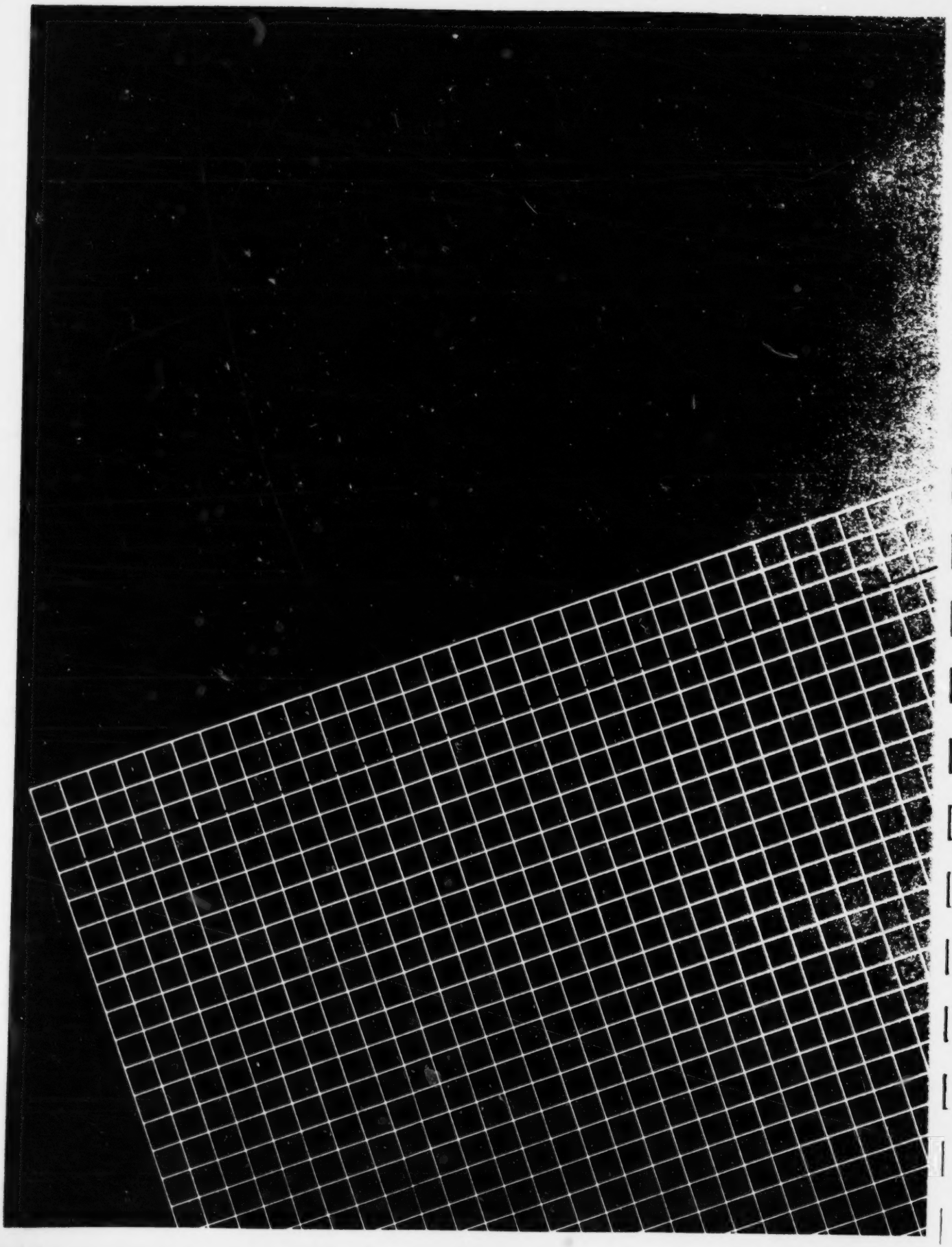
(a) Includes levy for the Provincial School Foundation Program.

(b) Financing of combined capital assets may exceed the combined capital assets as long term debt funds not utilized at year end are temporarily invested.

1983	1982	1981	1980	1979	1978	1977	1976
621,000	621,000	614,000	581,000	549,000	518,000	498,000	485,000
527	509	502	489	489	422	422	422
2,846,787	2,711,002	2,517,347	2,306,801	2,120,725	1,987,962	1,851,344	1,747,569
4,585	4,365	4,100	3,970	3,863	3,838	3,717	3,603
63	64	65	65	67	66	66	64
432,060	376,112	302,768	230,262	193,217	180,094	156,860	136,800
55.3	55.5	56.8	54.4	52.8	56.5	56.7	57.8
42.5	42.2	40.9	43.0	44.5	41.0	40.8	39.7
2.2	2.3	2.3	2.6	2.7	2.5	2.5	2.5
53.102	48.446	42.665	35.372	32.101	34.948	32.916	31.475
51.528	47.214	39.695	33.318	30.869	28.282	26.364	24.255
74.886	68.431	60.271	46.410	42.183	45.796	43.183	41.257
84.774	76.469	65.299	59.240	56.517	53.014	48.267	43.943
41,861	33,767	25,158	16,310	13,682	10,050	8,592	6,873
67	54	41	28	25	19	17	14
8.9	8.4	7.8	6.7	6.7	5.3	5.2	4.7
428,000	1,080,000	2,537,000	1,405,000	1,105,000	1,059,000	820,000	448,000
327,976	549,258	415,223	399,344	294,732	181,504	120,277	122,898
2,818,241	2,529,298	2,022,666	1,626,984	1,248,222	970,676	805,150	700,798
35.5	37.3	40.2	44.6	49.8	30.7	29.4	27.5
14.7	14.7	16.4	17.9	21.7	26.0	28.7	28.7
49.8	51.1	45.0	40.5	29.6	45.7	47.6	48.8
1,403,138	1,291,538	910,565	659,101	369,732(d)	443,420	382,937	342,784
62.4	63.8	67.6	64.5	54.1	65.8	66.9	66.6
1,410	1,327	1,003	732	364	564	514	471
181,234	143,559	97,293	57,569	35,622(d)	48,609	42,269	38,699
20.7	18.8	16.0	12.2	9.2	14.3	14.8	15.6
139,481	108,326	76,377	48,206	32,654	45,065	39,450	36,311
15.9	14.2	12.6	10.2	8.4	13.3	13.9	14.7
905,056	832,948	697,488	515,624	446,519	357,942	305,329	268,061
875,900	763,191	607,956	470,323	386,324	339,451	284,673	247,723
509,152	477,759	383,868	280,229	246,714	204,572	177,733	159,360
61.5	58.3	58.1	58.8	55.2	64.5	64.3	62.6
15.2	17.6	15.3	15.8	23.2	15.5	16.3	17.4
17.4	18.3	20.0	16.9	13.9	13.1	11.9	12.5
5.9	5.8	6.6	8.5	7.7	6.9	7.5	7.5

(c) Includes Transit System debt - partially supported by property tax.

(d) Cancellation of Long Term Debt ($242.7 million) and Fiscal Charges ($28.6 million) in 1979 under Municipal Debt Reduction Program.



General Fund

The General Fund statements cover those areas of operation which are for the most part supported by the levying of property tax. Included are police and fire protection, streets, storm sewers, garbage collection, recreation and community services, parks and cemeteries, social services, transportation, supplementary education requisitions, and general staff and service departments expenses. In addition these statements reflect all or part of the operating surpluses and deficits of the City Utilities, Social Housing Programs and Service Funds.

THE CITY OF CALGARY GENERAL FUND
BALANCE SHEET - Unaudited
December 31, 1985 (in thousands of dollars)

	STORM SEWERS		SANITATION	
	1985	1984	1985	1984
ASSETS				
Cash			3	3
Investments and accrued interest				
Taxes receivable				
Due from other governments	584	192	125	128
Other receivables	15	3	455	375
Inventories	305	271		
Due from other funds		424	348	595
Other current assets	17	4		
	921	894	931	1,101
Uncompleted capital projects	421	974	79	
Fixed assets	136,517	133,222	17,517	17,337
Less - accumulated depreciation				
	136,938	134,196	17,596	17,337
Deferred pension costs				
Long term debt recoverable				
Trust funds				
Other long term assets				
	137,859	135,090	18,527	18,438
LIABILITIES				
Accounts payable	564	584	632	487
Accrued interest	684	709	453	467
Contractors' holdbacks	4	17	7	49
Short term borrowing				
Deferred revenue				
Due to other funds	1,085			
	2,337	1,310	1,092	1,003
Long term debt	18,813	19,680	11,967	12,435
Unfunded pension liability				
Capital deposits	3,478	4,204		
Trust funds				
	22,291	23,884	11,967	12,435
EQUITY				
Equity in capital assets	113,231	109,896	5,468	5,000
Surplus				
	113,231	109,896	5,468	5,000
	137,859	135,090	18,527	18,438

STREETS		GENERAL ENGINEERING		STRUCTURES & BUILDINGS		EMERGENCY MEDICAL SERVICES		FIRE	
1985	1984	1985	1984	1985	1984	1985	1984	1985	1984
		4	4					1	138
3,400	5,392	6	9	2,034	1,609	2	2	303	305
473	396	1,438	905	16	106	463	453	13	155
5,856	5,318			40	40	128	69	130	140
			633	32,328	38,722			1,020	1,342
419	637	4	4	46	321				
10,148	11,743	1,452	1,555	34,464	40,798	593	524	1,487	2,080
98,658	93,066			101,027	68,468			43	89
708,786	694,155	2,489	2,024	92,844	87,272	1,299	1,262	29,582	29,157
(1,813)	(1,627)								
805,631	785,594	2,489	2,024	193,871	155,740	1,299	1,262	29,625	29,246
								1,336	1,631
				24,207	22,540			4	14
				24,207	22,540			1,340	1,645
815,779	797,337	3,941	3,579	252,542	219,078	1,892	1,786	32,452	32,971
5,830	6,576	433	258	6,484	3,848	404	417	1,929	2,296
11,829	11,612	32	42	8,957	6,331	6	8	552	564
318	362			4,977	4,006			26	36
1,453	1,742	116	134		122	10			
37,078	34,376	215				202	91		
56,508	54,668	796	434	20,418	14,307	622	516	2,507	2,896
268,273	270,543	782	983	193,453	170,854	146	172	19,527	20,072
								1,336	1,631
8,115	8,449							1	1
276,388	278,992	782	983	193,453	170,854	146	172	20,864	21,704
481,121	462,440	2,363	2,162	38,671	33,917	1,124	1,098	9,081	8,371
1,762	1,237								
482,883	463,677	2,363	2,162	38,671	33,917	1,124	1,098	9,081	8,371
815,779	797,337	3,941	3,579	252,542	219,078	1,892	1,786	32,452	32,971

THE CITY OF CALGARY GENERAL FUND
BALANCE SHEET (continued) - Unaudited
December 31, 1985 (in thousands of dollars)

	PARKS		PLANNING	
	1985	1984	1985	1984
ASSETS				
Cash	162	145	118	56
Investments and accrued interest			540	54,342
Taxes receivable				
Due from other governments	8,190	2,525	44	588
Other receivables	1,517	1,075	78	32
Inventories	1,176	1,490		
Due from other funds		5,943	5,049	3,837
Other current assets				
	11,045	11,178	5,829	58,855
Uncompleted capital projects	7,313	5,246	5,799	5,811
Fixed assets	256,198	249,283	139	1,037
Less - accumulated depreciation				
	263,511	254,529	5,938	6,848
Deferred pension costs				
Long term debt recoverable				
Trust funds				
Other long term assets	5,395	5,576	388	43
	5,395	5,576	388	43
	279,951	271,283	12,155	65,746
LIABILITIES				
Accounts payable	3,632	3,184	452	321
Accrued interest	7,107	7,277	98	103
Contractors' holdbacks	112	79		
Short term borrowing				
Deferred revenue	406	407		
Due to other funds	3,682			
	14,939	10,947	550	424
Long term debt	150,559	154,843	2,116	2,237
Unfunded pension liability				
Capital deposits	1,547	571	7,850	28,876
Trust funds				
	152,106	155,414	9,966	31,113
EQUITY				
Equity in capital assets	112,906	104,922	1,620	2,052
Surplus			19	32,157
	112,906	104,922	1,639	34,209
	279,951	271,283	12,155	65,746

POLICE 1985	POLICE 1984	SOCIAL SERVICES 1985	SOCIAL SERVICES 1984	TRANSPORTATION 1985	TRANSPORTATION 1984	SUPPORT SERVICES 1985	SUPPORT SERVICES 1984	COMBINED 1985	GENERAL 1984
12	12	4	4	12	3	3,404	2,469	3,720	2,834
						463,361	400,057	463,901	454,399
						20,727	30,490	20,727	30,490
451	471	210	4,301	238	346	3,987	1,902	19,574	17,770
38	21	260	216	41	260	8,310	6,651	13,117	10,648
571	656			3,250	2,762	840	739	12,316	11,485
4,527	4,291	3,768		2,060	3,030	17,244	20,202	66,344	79,019
2	33	837	797	9	1	831	217	2,165	2,014
5,601	5,484	5,079	5,318	5,610	6,402	518,704	462,727	601,864	608,659
3,556	576			1,252	292	2,955	60	221,103	174,582
24,688	24,529	1,777	1,777	53,099	51,902	77,428	74,806	1,402,363	1,367,763
						(3,871)	(3,158)	(5,684)	(4,785)
28,244	25,105	1,777	1,777	54,351	52,194	76,512	71,708	1,617,782	1,537,560
								1,336	1,631
						7,549	5,851	7,549	5,851
						34,159	22,408	34,159	22,408
					81	9,937	9,341	39,931	37,595
					81	51,645	37,600	82,975	67,485
33,845	30,589	6,856	7,095	59,961	58,677	646,861	572,035	2,302,621	2,213,704
3,584	2,620	2,333	691	1,208	923	46,376	47,365	73,861	69,570
391	428	10	11	836	883	2,883	3,316	33,838	31,751
231	32				8	425	1,055	6,100	5,644
						9,779	19,411	9,779	19,411
83	16	215	1,517	101	103	36	62	2,420	4,103
			436			176,682	153,402	218,944	188,305
4,289	3,096	2,558	2,655	2,145	1,917	236,181	224,611	344,942	318,784
12,063	13,166	148	157	18,499	19,913	73,492	79,399	769,838	764,454
								1,336	1,631
				528		20,029	19,104	41,548	61,205
						34,159	22,408	34,159	22,408
12,063	13,166	148	157	19,027	19,913	127,680	120,911	846,881	849,698
15,975	13,577	3,750	3,741	38,789	36,847	82,920	74,077	907,019	858,100
1,518	750	400	542			200,080	152,436	203,779	187,122
17,493	14,327	4,150	4,283	38,789	36,847	283,000	226,513	1,110,798	1,045,222
33,845	30,589	6,856	7,095	59,961	58,677	646,861	572,035	2,302,621	2,213,704

THE CITY OF CALGARY GENERAL FUND
STATEMENT OF REVENUE AND EXPENDITURE - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	STORM SEWERS		SANITATION	
	1985	1984	1985	1984
REVENUE				
Property and Business Taxes				
Revenue in Lieu of Property Taxes				
Less Requisitions from related authorities:				
Local school boards				
Provincial School Foundation Program				
Calgary Public Library Board				
Services to Other Governments				
Goods and Services	50	67	5,239	5,394
Other Revenue				
Licences and permits				
Investment income				
Calgary Parking Authority net income				
Penalties and other				
Unconditional Transfers from Other Governments				
Conditional Transfers from Province				
Debenture interest rebates	700	706	391	399
Grants				
Contributions from Utilities				
Contributions from Service Funds				
	750	773	5,630	5,793
EXPENDITURE				
General Government	(282)	(274)		
Police				
Fire				
Other Protective Services				
Streets and Traffic				
Control of the Environment	3,426	3,233	16,764	16,571
Social Services				
Planning and Urban Development				
Convention Centre				
Parks Facilities and Recreation				
1988 Olympic Winter Games				
Fiscal Charges	3,293	3,389	2,065	2,096
Transit Net Expenditure				
Public Housing Net Expenditure				
Interest-during-construction Capitalized				
	6,437	6,348	18,829	18,667
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	(5,687)	(5,575)	(13,199)	(12,874)
Allocated as follows:				
Contribution to (from) General Surplus				
Unappropriated				
From Mill Rate Stabilization Reserve				
To Olympic Winter Games Reserve				
Reserved for Other Purposes				
General Fund Net Expenditures	(5,687)	(5,575)	(13,199)	(12,874)
Transfers to Capital Deposits				
	(5,687)	(5,575)	(13,199)	(12,874)

STREETS		GENERAL ENGINEERING		STRUCTURES & BUILDINGS		EMERGENCY MEDICAL SERVICES	
1985	1984	1985	1984	1985	1984	1985	1984
418	383			232	327	3,925	3,457
349	456	1,124	1,120				
1,243	612						
7	15	231	207				
11,170	11,099	27	38	6,766	4,917	5	2
5,164	1,262		109				
18,351	13,827	1,382	1,474	6,998	5,244	3,930	3,459
(1,697)	(1,536)	1,396	1,346	8,696	7,578		
		1,465	1,358			9,820	9,556
28,396	26,839	1,137	1,437				
5,191	4,868						
		207	200				
149	292						
45,028	44,286	316	556	30,147	20,919	49	8
				(5,841)	(4,479)		
77,067	74,749	4,521	4,897	33,002	24,018	9,869	9,564
(58,716)	(60,922)	(3,139)	(3,423)	(26,004)	(18,774)	(5,939)	(6,105)
525	505						
(60,484)	(62,039)	(3,139)	(3,423)	(26,004)	(18,774)	(5,939)	(6,105)
1,243	612						
(58,716)	(60,922)	(3,139)	(3,423)	(26,004)	(18,774)	(5,939)	(6,105)

THE CITY OF CALGARY GENERAL FUND
STATEMENT OF REVENUE AND EXPENDITURE (continued) - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	FIRE		PARKS	
REVENUE	**1985**	**1984**	**1985**	**1984**
Property and Business Taxes				
Revenue in Lieu of Property Taxes				
Less Requisitions from related authorities:				
Local school boards				
Provincial School Foundation Program				
Calgary Public Library Board				
Services to Other Governments	1,596	1,569		
Goods and Services	104	181	11,973	11,272
Other Revenue				
Licences and permits				
Investment income				2
Calgary Parking Authority net income				
Penalties and other	11	32		
Unconditional Transfers from Other Governments				
Conditional Transfers from Province				
Debenture interest rebates	879	898	6,464	6,201
Grants	51	51	3,554	2,274
Contributions from Utilities				
Contributions from Service Funds				
	2,641	2,731	21,991	19,749
EXPENDITURE				
General Government			89	70
Police				
Fire	54,781	54,965		
Other Protective Services	163	148	236	176
Streets and Traffic			1,942	1,631
Control of the Environment			1,338	1,324
Social Services				
Planning and Urban Development				
Convention Centre				
Parks Facilities and Recreation			46,632	44,949
1988 Olympic Winter Games				
Fiscal Charges	3,347	3,348	26,120	23,620
Transit Net Expenditure				
Public Housing Net Expenditure				
Interest-during-construction Capitalized				
	58,291	58,461	76,357	71,770
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	(55,650)	(55,730)	(54,366)	(52,021)
Allocated as follows:				
Contributions to (from) General Surplus				
Unappropriated				
From Mill Rate Stabilization				
To Olympic Winter Games Reserve				
Reserved for Other Purposes	184	31		
General Fund Net Expenditures	(55,834)	(55,761)	(54,366)	(52,023)
Transfers to Capital Deposits				2
	(55,650)	(55,730)	(54,366)	(52,021)

PLANNING		POLICE		SOCIAL SERVICES		TRANSPORTATION	
1985	1984	1985	1984	1985	1984	1985	1984
175	184	169	191				
60	50	470	315	1,222	1,273	63	274
5,171	4,175					546	654
713	2,993						122
	27	7,547	7,887			91	59
	986						
103	107	476	473			782	764
		11,827	11,762	15,358	14,406	382	590
6,222	8,522	20,489	20,628	16,580	15,679	1,864	2,463
28	31			67	70		
		74,253	74,437				
5,487	5,837						
		819	1,045			16,067	16,655
				26,557	25,787		
6,100	5,762					103	86
447	458	2,832	2,471	21	22	4,179	4,065
						54,445	50,586
12,062	12,088	77,904	77,953	26,645	25,879	74,794	71,392
(5,840)	(3,566)	(57,415)	(57,325)	(10,065)	(10,200)	(72,930)	(68,929)
13	986	2,063	879	(142)	63		
(6,566)	(7,549)	(59,478)	(58,204)	(9,923)	(10,263)	(72,930)	(69,051)
713	2,997						122
(5,840)	(3,566)	(57,415)	(57,325)	(10,065)	(10,200)	(72,930)	(68,929)

THE CITY OF CALGARY GENERAL FUND
STATEMENT OF REVENUE AND EXPENDITURE (continued) - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	COST CENTRES		STAFF & ADMINISTRATION	
	1985	1984	1985	1984
REVENUE				
Property and Business Taxes				
Revenue in Lieu of Property Taxes				
Less Requisitions from related authorities:				
Local school boards				
Provincial School Foundation Program				
Calgary Public Library Board				
Services to Other Governments			105	98
Goods and Services	58	89	1,570	1,318
Other Revenue				
Licences and permits			1,653	1,660
Investment income				
Calgary Parking Authority net income				
Penalties and other	53	62	273	202
Unconditional Transfers from Other Governments				
Conditional Transfers from Province				
Debenture interest rebates	215	275	30	32
Grants				5
Contributions from Utilities				
Contributions from Service Funds				
	326	426	3,631	3,315
EXPENDITURE				
General Government	6,941	2,796	25,597	24,578
Police				
Fire				
Other Protective Services			1,351	1,404
Streets and Traffic				
Control of the Environment				
Social Services				
Planning and Urban Development				
Convention Centre				
Parks Facilities and Recreation				
1988 Olympic Winter Games				
Fiscal Charges	4,164	4,217	279	275
Transit Net Expenditure				
Public Housing Net Expenditure				
Interest during construction capitalized				
	11,105	7,013	27,227	26,257
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	(10,779)	(6,587)	(23,596)	(22,942)
Allocated as follows:				
Contributions to (from) General Surplus				
Unappropriated				
From Mill Rate Stabilization				
To Olympic Winter Games Reserve				
Reserved for Other Purposes				
General Fund Net Expenditures	(10,779)	(6,587)	(23,596)	(22,942)
Transfer to Capital Deposits				
	(10,779)	(6,587)	(23,596)	(22,942)

SUPPORT SERVICES

RELATED AUTHORITIES 1985	RELATED AUTHORITIES 1984	CORPORATE REVENUES 1985	CORPORATE REVENUES 1984	TOTAL SUPPORT 1985	TOTAL SUPPORT 1984	COMBINED GENERAL 1985	COMBINED GENERAL 1984
202,400	196,210	273,409	263,102	475,809	459,312	475,809	459,312
10,685	10,528	73,729	68,256	84,414	78,784	84,414	78,784
(165,413)	(158,583)			(165,413)	(158,583)	(165,413)	(158,583)
(35,873)	(37,274)			(35,873)	(37,274)	(35,873)	(37,274)
(11,799)	(10,152)			(11,799)	(10,152)	(11,799)	(10,152)
				105	98	2,045	2,042
				1,628	1,407	25,384	24,400
		502	482	2,155	2,142	9,345	8,547
		37,548	36,702	37,548	36,702	39,504	40,431
		5,361	4,890	5,361	4,890	5,361	4,890
		11,113	16,680	11,439	16,944	19,326	25,171
		16,341	16,056	16,341	16,056	16,341	17,042
190	191	1,682	1,561	2,117	2,059	29,880	27,663
					5	36,336	30,459
		25,073	21,019	25,073	21,019	25,073	21,019
		6,711	7,575	6,711	7,575	6,711	7,575
190	920	451,469	436,323	455,616	440,984	562,444	541,326
1,842	1,172	1,130	4,241	35,510	32,787	43,807	40,072
						74,253	74,437
						54,781	54,965
				1,351	1,404	18,522	18,479
						48,361	47,607
						26,719	25,996
						26,557	25,787
						6,410	6,048
1,830	1,908			1,830	1,908	1,830	1,908
						46,781	45,241
		470	292	470	292	470	292
548	552	11,469	11,943	16,460	16,987	134,304	122,225
						54,445	50,586
		2,831	2,434	2,831	2,434	2,831	2,434
						(5,841)	(4,479)
4,220	3,632	15,900	18,910	58,452	55,812	534,230	511,598
(4,030)	(2,712)	435,569	417,413	397,164	385,172	28,214	29,728
		8,172	27,107	8,172	27,107	8,172	27,107
		(2,132)	(12,920)	(2,132)	(12,920)	(2,132)	(12,920)
		12,080		12,080		12,080	
		5,495	9,344	5,495	9,344	8,138	11,808
(4,030)	(2,712)	411,954	393,882	373,549	361,641		
						1,956	3,733
(4,030)	(2,712)	435,569	417,413	397,164	385,172	28,214	29,728

THE CITY OF CALGARY GENERAL FUND
STATEMENT OF EQUITY - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	STORM SEWERS		SANITATION	
	1985	1984	1985	1984
EQUITY IN CAPITAL ASSETS				
Contributions from Operations				
Opening balance	39,085	38,190	3,024	2,521
Transfers from Surplus				
Debentures redeemed	867	895	468	478
Interfund transactions				25
Elimination of equity on disposals of fixed assets				
Other				
Closing balance	39,952	39,085	3,492	3,024
Capital Donations				
Opening balance	70,811	69,487	1,976	1,976
Other governments	609	111		
Private sources	330	499		
Other				
Other government contribution previously netted against capital assets				
Interfund transactions				
Transfers from Capital Deposits				
Other governments				
Private sources	1,529	714		
Closing balance	73,279	70,811	1,976	1,976
	113,231	109,896	5,468	5,000
SURPLUS				
Unappropriated				
Opening balance				
Excess of Revenue over Expenditure				
Less -				
Transfer to Reserve for Mill Rate Stabilization				
Transfer to Reserves				
Closing balance				
Reserves				
Opening balance				
Contributions (to) from Revenue				
Mill Rate Stabilization				
1988 Olympic Winter Games				
Other				
Interfund transactions				
Transfer from Surplus				
Transfer (to) from Equity in Capital Assets				
Closing balance				

STREETS		GENERAL ENGINEERING		STRUCTURES & BUILDINGS		EMERGENCY MEDICAL SERVICES		FIRE	
1985	1984	1985	1984	1985	1984	1985	1984	1985	1984
69,644	62,873	1,816	1,409	20,701	21,395	1,098	1,098	2,966	2,616
	177							184	31
6,609	6,450	201	407	4,105	3,563	26		535	472
109	144			226	(4,186)			9	
								(18)	(153)
				(748)	(71)				
76,362	69,644	2,017	1,816	24,284	20,701	1,124	1,098	3,676	2,966
392,796	386,480	346	346	13,216	13,216			5,405	5,404
4	3,727								
1,012	101								
391				677					
8,918	859								
1,638	1,629			494					1
404,759	392,796	346	346	14,387	13,216			5,405	5,405
481,121	462,440	2,363	2,162	38,671	33,917	1,124	1,098	9,081	8,371
1,237	909								
525	505							184	31
	(177)							(184)	(31)
1,762	1,237								
1,762	1,237								

THE CITY OF CALGARY GENERAL FUND
STATEMENT OF EQUITY (continued) - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	PARKS		PLANNING	
	1985	1984	1985	1984
EQUITY IN CAPITAL ASSETS				
Contributions from Operations				
Opening balance	24,098	20,980	1,060	1,200
Transfers from Surplus				
Debentures redeemed	4,284	3,075	121	117
Interfund transactions		67	(510)	(165)
Elimination of equity on disposals of fixed assets				
Other	(28)	(24)	(43)	(92)
Closing balance	28,354	24,098	628	1,060
Capital Donations				
Opening balance	80,824	79,817	992	992
Other governments		199		
Private sources	4	(308)		
Other				
Other government contribution previously netted against capital assets			1,530	
Interfund transactions			(1,530)	
Transfers from Capital Deposits				
Other governments	2,678	1,109		
Private sources	1,046	7		
Closing balance	84,552	80,824	992	992
	112,906	104,922	1,620	2,052
SURPLUS				
Unappropriated				
Opening balance				
Excess of Revenue over Expenditure				
Less -				
Transfer to Reserve for Mill Rate Stabilization				
Transfer to Reserves				
Closing balance				
Reserves				
Opening balance			32,157	31,171
Contributions (to) from Revenue				
Mill Rate Stabilization				
1988 Olympic Winter Games				
Other			13	986
Interfund transactions			(32,151)	
Transfer from Surplus				
Transfer (to) from Equity in Capital Assets				
Closing balance			19	32,157
			19	32,157

POLICE		SOCIAL SERVICES		TRANSPORTATION		SUPPORT SERVICES		COMBINED	GENERAL
1985	1984	1985	1984	1985	1984	1985	1984	1985	1984
6,268	5,207	3,153	3,145	17,668	17,495	50,888	38,218	241,469	216,347
1,295	337					1,032	5,303	2,511	5,848
1,103	811	9	8	1,414	1,391	5,544	5,741	25,286	23,408
					(1,218)		493	(166)	(4,840)
	(87)					(3)	(9)	(21)	(249)
						400	1,142	(419)	955
8,666	6,268	3,162	3,153	19,082	17,668	57,861	50,888	268,660	241,469
7,309	7,309	588	588	19,179	18,142	23,190	19,265	616,632	603,022
						28		641	4,037
					832	541	702	1,887	1,826
								1,530	
						(62)	3,222	(524)	3,222
				357	205			11,953	2,174
				171		1,362		6,240	2,350
7,309	7,309	588	588	19,707	19,179	25,059	23,189	638,359	616,631
15,975	13,577	3,750	3,741	38,789	36,847	82,920	74,077	907,019	858,100
						27,107	16,760	27,107	16,760
						8,172	27,107	8,172	27,107
						(27,107)	(8,934)	(27,107)	(8,934)
							(7,826)		(7,826)
						8,172	27,107	8,172	27,107
750	208	542	479			125,329	106,448	160,015	139,215
						(2,132)	(12,920)	(2,132)	(12,920)
						12,080		12,080	
2,063	879	(142)	63			5,495	9,344	8,138	11,808
						25,061	11,000	(7,090)	11,000
						27,107	16,760	27,107	16,760
(1,295)	(337)					(1,032)	(5,303)	(2,511)	(5,848)
1,518	750	400	542			191,908	125,329	195,607	160,015
1,518	750	400	542			200,080	152,436	203,779	187,122

THE CITY OF CALGARY GENERAL FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

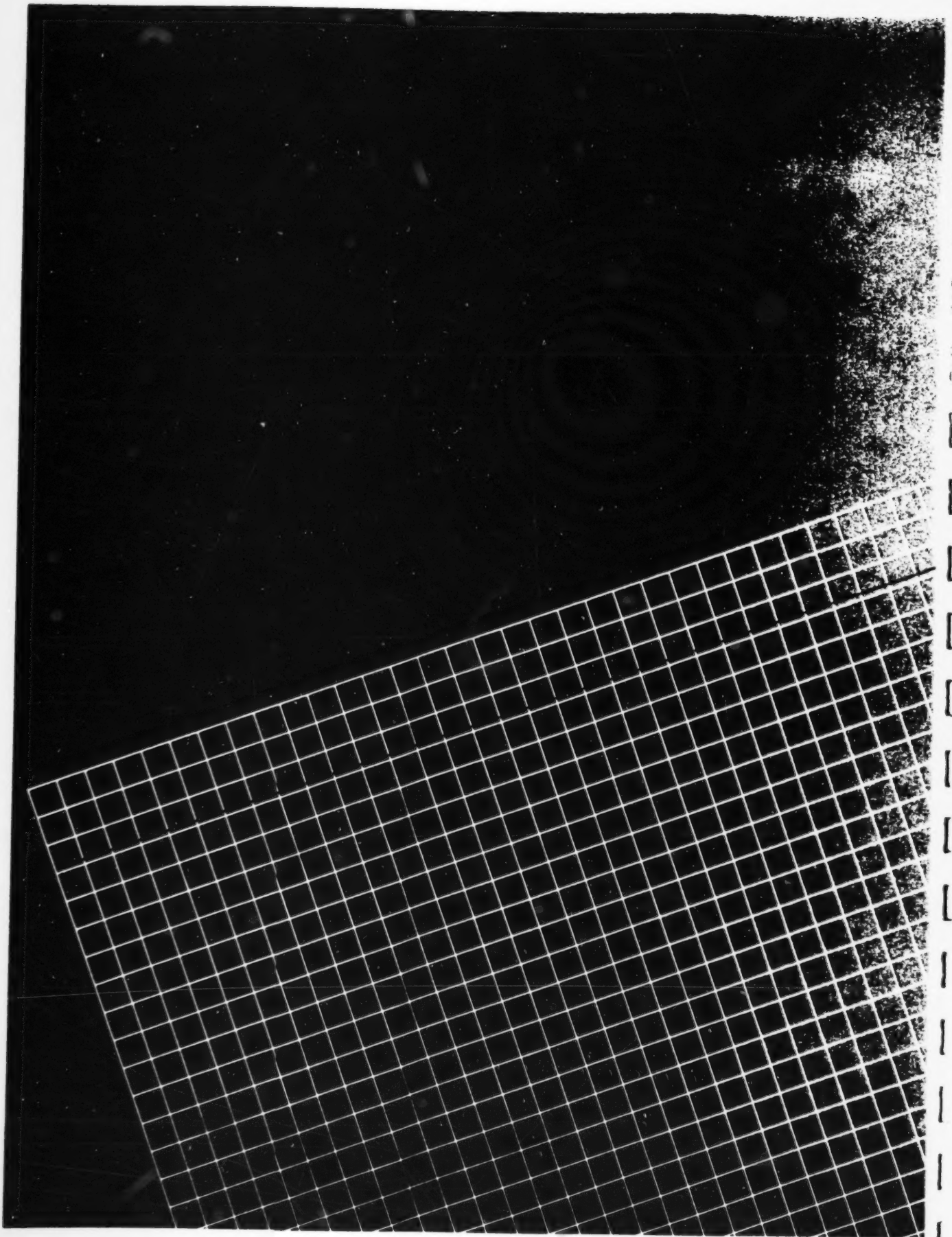
	STORM SEWERS		SANITATION	
	1985	1984	1985	1984
SOURCE OF FUNDS				
Excess (Deficiency) of Revenue over Expenditure	(5,687)	(5,575)	(13,199)	(12,874)
Add (deduct) non working capital items				
Net Contribution from Operations	(5,687)	(5,575)	(13,199)	(12,874)
Long Term Debt Issues				330
Contributions and Capital Deposits				
Other governments	609	111		
Private sources	1,133	1,789		
Allocation of general revenues	5,687	5,575	13,199	12,874
Other				
Recovery of Costs of Other Long Term Assets				
Interfund Transactions				3,950
	1,742	1,900		4,280
APPLICATION OF FUNDS				
Capital Assets				
Purchased by City	274	1,942	259	437
Donated to City	2,468	1,324		
From Real Estate Service Fund				
Long Term Debt				
Redemptions				
Recoverable				
Other Long Term Assets				
Transfers of Capital Deposits to Trust Funds				
Interfund Transactions				4,081
	2,742	3,266	259	4,518
INCREASE (DECREASE) IN WORKING CAPITAL	(1,000)	(1,366)	(259)	(238)
Opening Working Capital (Deficiency)	(416)	950	98	336
Closing Working Capital (Deficiency)	(1,416)	(416)	(161)	98

STREETS		GENERAL ENGINEERING		STRUCTURES & BUILDINGS		EMERGENCY MEDICAL SERVICES		FIRE	
1985	1984	1985	1984	1985	1984	1985	1984	1985	1984
(58,716)	(60,922)	(3,139)	(3,423)	(26,004)	(18,774)	(5,939)	(6,105)	(55,650)	(55,730)
186	165			1,048	109			10	10
(58,530)	(60,757)	(3,139)	(3,423)	(24,956)	(18,665)	(5,939)	(6,105)	(55,640)	(55,720)
4,359	7,638		116	26,704	69,390		172		
8,550	3,432								
1,445	982				38				
60,484	62,039	3,139	3,423	26,004	18,774	5,939	6,105	55,834	55,761
				420					
500	9,712			1,277	8,499			72	
16,808	23,046		116	29,449	78,036		172	266	41
17,407	14,530	465	68	39,943	39,639	37	50	388	714
	4,488								
2,378	1,295								
20	18			1,048	109			10	10
438	1,576			903	10,356			72	
20,243	21,907	465	68	41,894	50,104	37	50	470	724
(3,435)	1,139	(465)	48	(12,445)	27,932	(37)	122	(204)	(683)
(42,925)	(44,064)	1,121	1,073	26,491	(1,441)	8	(114)	(816)	(133)
(46,360)	(42,925)	656	1,121	14,046	26,491	(29)	8	(1,020)	(816)

THE CITY OF CALGARY GENERAL FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION (continued) - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	PARKS		PLANNING	
	1985	1984	1985	1984
SOURCE OF FUNDS				
Excess (Deficiency) of Revenue over Expenditure	(54,366)	(52,021)	(5,840)	(3,566)
Add (deduct) non working capital items	29	25		
Net Contribution from Operations	(54,337)	(51,996)	(5,840)	(3,566)
Long Term Debt Issues		18,601		
Contributions and Capital Deposits				
Other governments	3,651	318		(44)
Private sources	1,052	497	534	277
Allocation of general revenues	54,366	52,023	6,566	7,549
Other		(250)	(3)	(283)
Recovery of Costs of Other Long Term Assets	526	474		
Interfund Transactions		266	2,040	1,842
	5,258	19,933	3,297	5,775
APPLICATION OF FUNDS				
Capital Assets				
Purchased by City	8,981	5,530	(12)	92
Donated to City				
From Real Estate Service Fund				
Long Term Debt				
Redemptions	29	25		
Recoverable				
Other Long Term Assets	373	101		
Transfer of Capital Deposits to Trust Funds			21,884	
Interfund Transactions		266	34,577	660
	9,383	5,922	56,449	752
INCREASE (DECREASE) IN WORKING CAPITAL	(4,125)	14,011	(53,152)	5,023
Opening Working Capital (Deficiency)	231	(13,780)	58,431	53,408
Closing Working Capital (Deficiency)	(3,894)	231	5,279	58,431

POLICE		SOCIAL SERVICES		TRANSPORTATION		SUPPORT SERVICES		COMBINED	GENERAL
1985	1984	1985	1984	1985	1984	1985	1984	1985	1984
(57,415)	(57,325)	(10,065)	(10,200)	(72,930)	(68,929)	397,164	385,172	28,214	29,728
				(476)	(4,294)	(119)	89	678	(3,896)
(57,415)	(57,325)	(10,065)	(10,200)	(73,406)	(73,223)	397,045	385,261	28,892	25,832
	1,666				83		14,634	31,063	112,630
					1,349	882		13,692	5,166
				780	1,286	2,915	1,399	7,859	6,268
59,478	58,204	9,923	10,263	72,930	69,051	(373,549)	(361,641)		
						400		817	(533)
							114	526	588
				833		42,152	17,226	46,874	41,495
2,063	2,545	(142)	63	1,137	(1,454)	69,845	56,993	129,723	191,446
3,139	1,342			2,157	2,050	5,519	7,708	78,557	74,102
								2,468	5,812
								2,378	1,295
						169	170	1,276	332
						1,954	2,756	1,954	2,756
						643	1,232	1,016	1,333
								21,884	
					2,627	17,153	6,790	53,143	26,356
3,139	1,342			2,157	4,677	25,438	18,656	162,676	111,986
(1,076)	1,203	(142)	63	(1,020)	(6,131)	44,407	38,337	(32,953)	79,460
2,388	1,185	2,663	2,600	4,485	10,616	238,116	199,779	289,875	210,415
1,312	2,388	2,521	2,663	3,465	4,485	282,523	238,116	256,922	289,875



Utilities

Electric System

The Electric System is a self-supporting utility responsible for the distribution of electrical energy to all customers within the City of Calgary services area. The utility operates and maintains the electrical distribution system and the street lighting system.

Waterworks System

The Waterworks Utility, self-supporting, is responsible for the production, transmission and distribution of potable water to the citizens of Calgary.

Sanitary Sewers System

The Sanitary Sewers System, also self-supporting, collects and treats the City's waste water. This system is separate from the storm sewers system which is financed through the General Fund.

Transit System

The Transit System provides mass transportation for the citizens of Calgary. The system operates at a deficit and is partially supported by property tax.

THE CITY OF CALGARY UTILITIES
BALANCE SHEET - Unaudited
December 31, 1985 (in thousands of dollars)

	ELECTRIC SYSTEM		WATERWORKS SYSTEM	
	1985	1984	1985	1984
ASSETS				
Cash	3	2		
Due from other governments			2,038	2,057
Other receivables	18,735	18,129	4,419	4,066
Inventories	16,219	19,315	2,313	2,585
Due from other funds	49,047	36,566	9,531	18,311
Other current assets	1,249	820	36	35
	85,253	74,832	18,337	27,054
Uncompleted capital projects	5,533	10,224	2,033	1,761
Fixed assets	319,492	294,251	439,059	417,694
Less - accumulated depreciation	(87,549)	(78,167)	(68,718)	(59,871)
	237,476	226,308	372,374	359,584
Other long term assets				
	322,729	301,140	390,711	386,638
LIABILITIES				
Accounts payable	46,387	42,803	2,791	2,955
Accrued interest	3,509	3,591	8,043	8,137
Contractors' holdbacks	33	56	298	932
Deferred revenue			445	250
	49,929	46,450	11,577	12,274
Long term debt	95,084	97,784	202,606	205,558
Capital deposits			1,842	1,956
EQUITY	95,084	97,784	204,448	207,514
Equity in capital assets	142,392	128,524	169,686	162,850
Surplus	35,324	28,382	5,000	4,000
	177,716	156,906	174,686	166,850
	322,729	301,140	390,711	386,638

SANITARY SEWERS SYSTEM		TRANSIT SYSTEM		TOTAL	
1985	1984	1985	1984	1985	1984
		307	296	310	298
1,390	1,183	4,695	4,138	8,123	7,378
2,967	2,674	766	568	26,887	25,437
177	194	6,239	7,614	24,948	29,708
26,096	28,360	68,644	33,264	153,318	116,501
63	85	53	47	1,401	987
30,693	32,496	80,704	45,927	214,987	180,309
3,644	93,042	31,583	208,038	42,793	313,065
295,126	189,239	485,411	271,576	1,539,088	1,172,760
(55,215)	(45,710)			(211,482)	(183,748)
243,555	236,571	516,994	479,614	1,370,399	1,302,077
		43	131	43	131
274,248	269,067	597,741	525,672	1,585,429	1,482,517
2,700	2,376	7,726	5,065	59,604	53,199
6,330	5,132	17,511	13,759	35,393	30,619
5,367	11,947	2,797	4,262	8,495	17,197
136		187	157	768	407
14,533	19,455	28,221	23,243	104,260	101,422
127,212	117,215	303,679	270,968	728,581	691,525
1,087	894	2,606	3,343	5,535	6,193
128,299	118,109	306,285	274,311	734,116	697,718
126,901	126,503	262,895	228,118	701,874	645,995
4,515	5,000	340		45,179	37,382
131,416	131,503	263,235	228,118	747,053	683,377
274,248	269,067	597,741	525,672	1,585,429	1,482,517

THE CITY OF CALGARY UTILITIES
STATEMENT OF REVENUE AND EXPENDITURE - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	ELECTRIC SYSTEM 1985	ELECTRIC SYSTEM 1984	WATERWORKS SYSTEM 1985	WATERWORKS SYSTEM 1984
REVENUE				
Sales of Services				
Operations	292,248	282,484	63,627	59,006
Other			5,435	5,357
Other Revenue				
Permits and fees	649	619		
Investment income	461	577	1,058	504
Penalties and other	1,725	1,893	282	604
Conditional Transfers from Province				
Debenture interest rebates			6,749	6,097
Transit operating grant				
	295,083	285,573	77,151	71,568
EXPENDITURE				
Operations				
Power purchases	192,840	182,499		
Less other government compensation	(24,288)	(21,720)		
Substations	2,146	1,663		
Transmission and distribution	8,883	8,876	16,199	15,008
Pumping			5,016	4,618
Purification and treatment			495	505
Transportation				
Vehicle maintenance				
Depreciation	11,447	10,387	5,915	5,524
Taxation of revenue	29,143	28,127	6,906	6,436
Administration	14,424	15,773	3,054	3,234
Customer billing and collection	7,522	9,028	2,481	2,977
Other				
	242,117	234,633	40,066	38,302
Fiscal Charges	12,179	12,448	27,402	24,729
Capitalization of Interest During Construction	(807)	(1,528)		
	253,489	245,553	67,468	63,031
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	41,594	40,020	9,683	8,537
Allocated as follows:				
Contributions to General Fund	16,211	13,388	4,696	4,169
Contributions to Reserves	25,383	26,632	4,987	4,368
Subsidy from Property Tax Levy				
Transfers to Capital Deposits				
	41,594	40,020	9,683	8,537

SANITARY SEWERS SYSTEM 1985	SANITARY SEWERS SYSTEM 1984	TRANSIT SYSTEM 1985	TRANSIT SYSTEM 1984	TOTAL 1985	TOTAL 1984
46,808	43,563	37,384	35,125	440,067	420,178
65	76	957	767	6,457	6,200
38	29			687	648
2,454	1,829	6,575	2,503	10,548	5,413
65	115	310	1,752	2,382	4,364
3,687	2,375	11,588	9,735	22,024	18,207
		4,958	5,310	4,958	5,310
53,117	47,987	61,772	55,192	487,123	460,320
				192,840	182,499
				(24,288)	(21,720)
				2,146	1,663
6,600	6,185			31,682	30,069
				5,016	4,618
10,318	7,914			10,813	8,419
		31,047	30,996	31,047	30,996
		23,677	21,477	23,677	21,477
6,742	3,256			24,104	19,167
4,681	4,356			40,730	38,919
2,178	1,952	10,813	9,930	30,469	30,889
2,366	2,538			12,369	14,543
		935	952	935	952
32,885	26,201	66,472	63,355	381,540	362,491
16,551	13,281	47,503	40,589	103,635	91,047
				(807)	(1,528)
49,436	39,482	113,975	103,944	484,368	452,010
3,681	8,505	(52,203)	(48,752)	2,755	8,310
4,166	3,462			25,073	21,019
(485)	5,043	527	1,736	30,412	37,779
		(54,445)	(50,586)	(54,445)	(50,586)
		1,715	98	1,715	98
3,681	8,505	(52,203)	(48,752)	2,755	8,310

THE CITY OF CALGARY UTILITIES
STATEMENT OF EQUITY - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

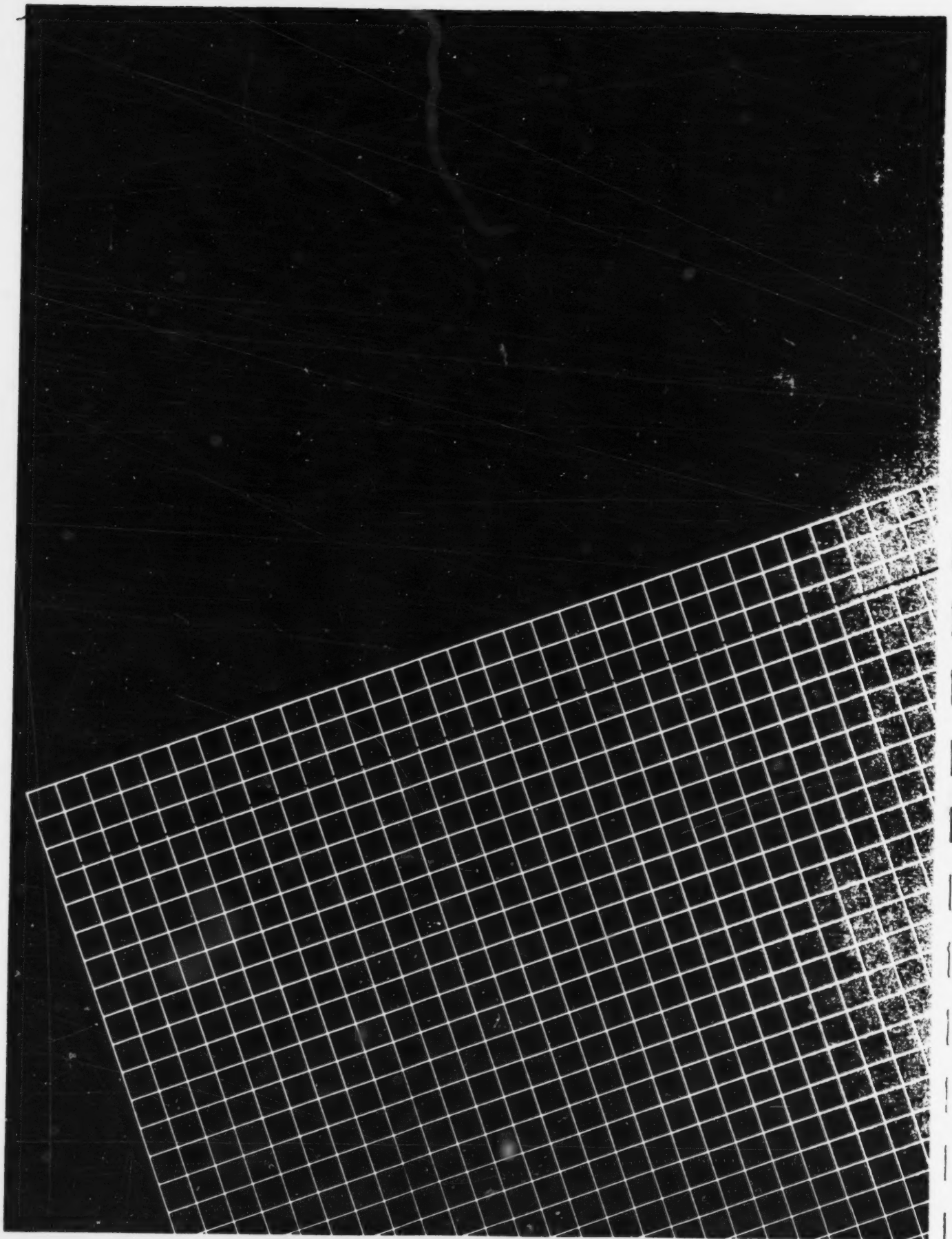
	ELECTRIC SYSTEM		WATERWORKS SYSTEM	
	1985	1984	1985	1984
EQUITY IN CAPITAL ASSETS				
Contribution from Operations				
Opening balance	128,419	112,079	32,227	29,302
Transfers from Surplus	13,441	16,340	3,987	2,925
Debentures redeemed				
Interfund transactions	107		27	
Elimination of equity on disposal of fixed assets				
Closing balance	141,967	128,419	36,241	32,227
Capital Donations				
Opening balance	105	105	130,623	128,930
Other governments				
Private sources			4,973	3,811
Interfund transactions	320		83	
Transfers from Capital Deposits				
Other governments				
Private sources			700	700
Less -				
Depreciation on donated assets			(2,934)	(2,818)
Closing balance	425	105	133,445	130,623
	142,392	128,524	169,686	162,850
SURPLUS				
Reserves				
Opening balance	28,382	18,090	4,000	2,557
Contributions from Revenue	25,383	26,632	4,987	4,368
Transfers to Equity in Capital Assets	(13,441)	(16,340)	(3,987)	(2,925)
Interfund transactions	(5,000)			
Closing balance	35,324	28,382	5,000	4,000

SANITARY SEWERS SYSTEM		TRANSIT SYSTEM		TOTAL	
1985	1984	1985	1984	1985	1984
35,017	30,974	11,325	8,112	206,988	180,467
	4,043	187	1,736	17,615	25,044
		4,201	3,414	4,201	3,414
41		(8)	49	167	49
		(93)	(1,986)	(93)	(1,986)
35,058	35,017	15,612	11,325	228,878	206,988
91,486	87,853	216,793	175,831	439,007	392,719
590	4,009	4	74	594	4,083
1,908	1,459	1		6,882	5,270
122				525	
		30,485	40,888	30,485	40,888
527	507			1,227	1,207
(2,790)	(2,342)			(5,724)	(5,160)
91,843	91,486	247,283	216,793	472,996	439,007
126,901	126,503	262,895	228,118	701,874	645,995
5,000	4,000			37,382	24,647
(485)	5,043	527	1,736	30,412	37,779
	(4,043)	(187)	(1,736)	(17,615)	(25,044)
				(5,000)	
4,515	5,000	340		45,179	37,382

THE CITY OF CALGARY UTILITIES
STATEMENT OF CHANGES IN FINANCIAL POSITION - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	ELECTRIC SYSTEM		WATERWORKS SYSTEM	
	1985	1984	1985	1984
SOURCE OF FUNDS				
Excess (Deficiency) of Revenue over Expenditure	41,594	40,020	9,683	8,537
Add non working capital items	10,904	9,400	5,915	5,524
Net Contribution from Operations	52,498	49,420	15,598	14,061
Proceeds from Disposals of Fixed Assets	1,266			
Long Term Debt Issues				32,594
Contributions and Capital Deposits				
Other governments				
Private sources			5,559	4,657
General Fund				
Interfund Transactions	427		110	
	54,191	49,420	21,267	51,312
APPLICATION OF FUNDS				
Capital Assets				
Purchased by City	23,454	23,775	16,446	17,749
Less capitalization of cost of equity funds used during construction	(543)	(987)		
Donated to City			5,083	3,811
Long Term Debt Redemptions	2,700	2,952	2,952	2,496
Contributions to General Fund	16,211	13,388	4,696	4,169
Interfund Transactions	5,427		110	
	47,249	39,128	29,287	28,225
INCREASE (DECREASE) IN WORKING CAPITAL	6,942	10,292	(8,020)	23,087
Opening Working Capital (Deficiency)	28,382	18,090	14,780	(8,307)
Closing Working Capital	35,324	28,382	6,760	14,780

SANITARY SEWERS SYSTEM		TRANSIT SYSTEM		TOTAL	
1985	1984	1985	1984	1985	1984
3,681	8,505	(52,203)	(48,752)	2,755	8,310
6,742	3,256	(143)	87	23,418	18,267
10,423	11,761	(52,346)	(48,665)	26,173	26,577
				1,266	
11,936	51,526	37,000	62,850	48,936	146,970
590	4,009	29,091	44,137	29,681	48,146
2,628	1,931	11		8,198	6,588
		54,445	50,586	54,445	50,586
163		72	2,002	772	2,002
25,740	69,227	68,273	110,910	169,471	280,869
14,262	28,990	37,481	65,620	91,643	136,134
				(543)	(987)
2,092	1,292			7,175	5,103
1,938	1,543	88	87	7,678	7,078
4,166	3,462			25,073	21,019
163		905	5,600	6,605	5,600
22,621	35,287	38,474	71,307	137,631	173,947
3,119	33,940	29,799	39,603	31,840	106,922
13,041	(20,899)	22,684	(16,919)	78,887	(28,035)
16,160	13,041	52,483	22,684	110,727	78,887



Social Housing Programs

Public Housing Activity
The City shares with other governments in the operating deficits of City and Provincially owned housing accommodation.

Calhome Properties Ltd.
This wholly owned civic corporation provides non profit housing in Calgary at no cost to general municipal tax supported operations.

THE CITY OF CALGARY SOCIAL HOUSING PROGRAMS
BALANCE SHEET - Unaudited
December 31, 1985 (in thousands of dollars)

	PUBLIC HOUSING		CALHOME PROPERTIES LTD.		TOTAL	
	1985	1984	1985	1984	1985	1984
ASSETS						
Cash			12	405	12	405
Investments and accrued interest			4,206	3,453	4,206	3,453
Due from other governments	2,516	2,142	5		2,521	2,142
Other receivables	6	24	10	9	16	33
Due from other funds	6,161	5,951			6,161	5,951
Other current assets			2	28	2	28
	8,683	8,117	4,235	3,895	12,918	12,012
Capital assets	35,555	35,701	84,108	84,129	119,663	119,830
	44,238	43,818	88,343	88,024	132,581	131,842
LIABILITIES						
Accounts payable	1,936	1,509	753	801	2,689	2,310
Accrued interest	853	860			853	860
Contractors' holdbacks			5	5	5	5
Deferred revenue			39	23	39	23
Due to other funds				102		102
	2,789	2,369	797	931	3,586	3,300
Long term debt	32,951	33,264	85,497	85,671	118,448	118,935
EQUITY						
Equity in capital assets	8,498	8,185	558	384	9,056	8,569
Surplus			1,491	1,038	1,491	1,038
	8,498	8,185	2,049	1,422	10,547	9,607
	44,238	43,818	88,343	88,024	132,581	131,842

THE CITY OF CALGARY SOCIAL HOUSING PROGRAMS
STATEMENT OF REVENUE AND EXPENDITURE - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

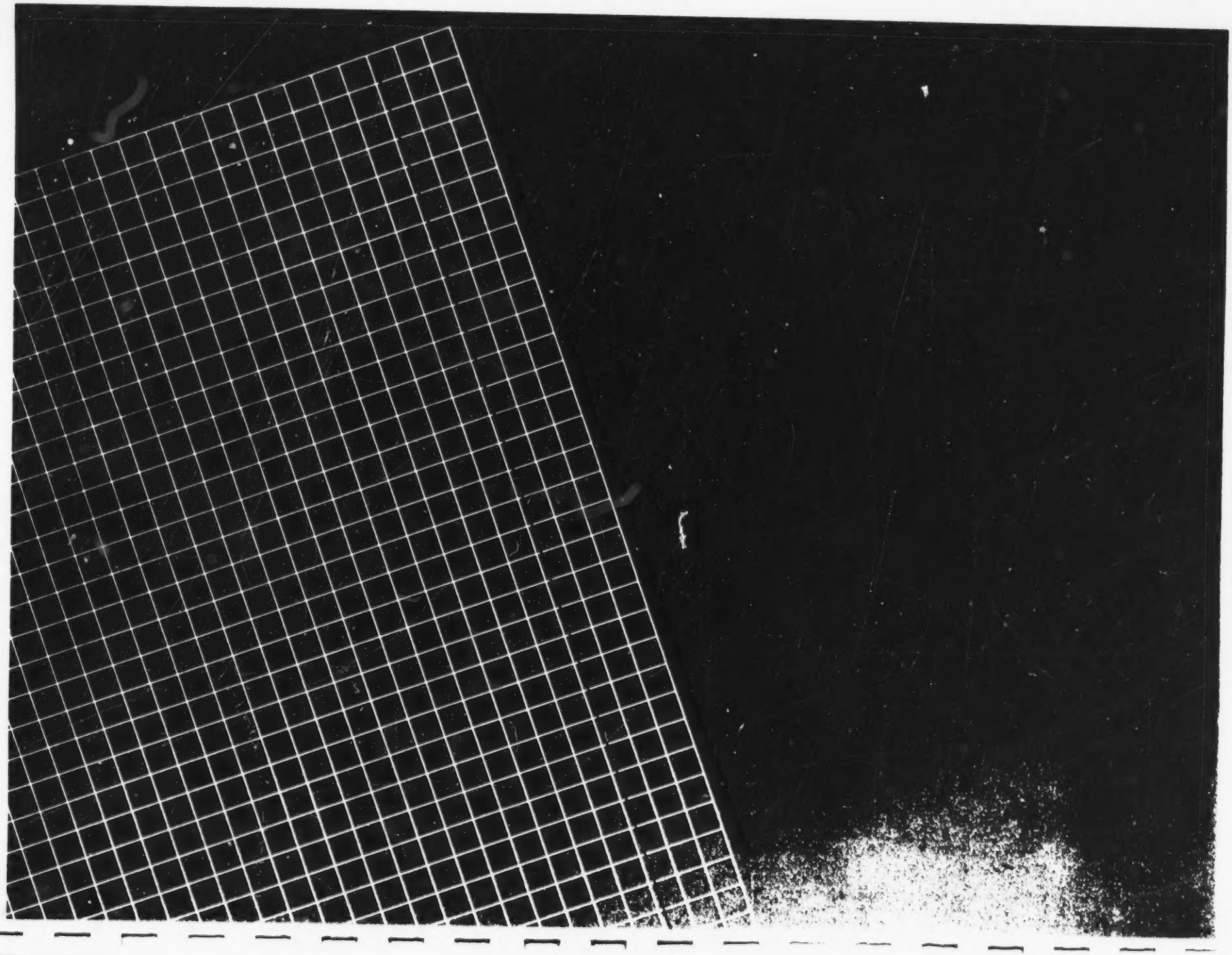
	PUBLIC HOUSING		CALHOME PROPERTIES LTD.		TOTAL	
	1985	1984	1985	1984	1985	1984
REVENUE						
Rentals	1,151	1,151	6,482	5,800	7,633	6,951
Other Government Subsidy			9,998	10,046	9,998	10,046
Interest	572	739	362	364	934	1,103
	1,723	1,890	16,842	16,210	18,565	18,100
EXPENDITURE						
Fiscal Charges	1,753	1,748	13,592	13,488	15,345	15,236
Utilities			507	469	507	469
Municipal Taxes			933	945	933	945
Insurance			28	51	28	51
Maintenance			662	540	662	540
Ground Rent			98	98	98	98
Other			214	183	214	183
City's Share of Operating Costs	1,132	886			1,132	886
	2,885	2,634	16,034	15,774	18,919	18,408
Administration	133	140	437	432	570	572
	3,018	2,774	16,471	16,206	19,489	18,980
Net Operations	(1,295)	(884)	371	4	(924)	(880)
Metropolitan Calgary Foundation deficit (civic share)	(1,536)	(1,550)			(1,536)	(1,550)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	(2,831)	(2,434)	371	4	(2,460)	(2,430)
Allocated as follows:						
Contribution to Reserves			453	4	453	4
Subsidy from Property Tax Levy	(2,831)	(2,434)			(2,831)	(2,434)
Adjustment of Refund to Another Government			(82)		(82)	
	(2,831)	(2,434)	371	4	(2,460)	(2,430)

THE CITY OF CALGARY SOCIAL HOUSING PROGRAMS
STATEMENT OF EQUITY - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	PUBLIC HOUSING		CALHOME PROPERTIES LTD.		TOTAL	
	1985	1984	1985	1984	1985	1984
EQUITY IN CAPITAL ASSETS						
Contributions from Operations						
Opening balance.....	5,311	5,028	384	313	5,695	5,341
Debt redeemed.....	313	283	174	71	487	354
Closing balance.....	5,624	5,311	558	384	6,182	5,695
Capital Donations						
Opening balance.....	2,874	2,874			2,874	2,874
Closing balance.....	2,874	2,874			2,874	2,874
	8,498	8,185	558	384	9,056	8,569
SURPLUS						
Reserves						
Opening balance.....			1,038	1,034	1,038	1,034
Contribution from Revenue...			453	4	453	4
Closing balance.....			1,491	1,038	1,491	1,038

THE CITY OF CALGARY SOCIAL HOUSING PROGRAMS
STATEMENT OF CHANGES IN FINANCIAL POSITION - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	PUBLIC HOUSING		CALHOME PROPERTIES LTD.		TOTAL	
	1985	1984	1985	1984	1985	1984
SOURCE OF FUNDS						
Excess (Deficiency) of Revenue over Expenditure	(2,831)	(2,434)	371	4	(2,460)	(2,430)
Add non working capital transactions			25	7	25	7
Net Contribution from Operations	(2,831)	(2,434)	396	11	(2,435)	(2,423)
Long Term Debt Issues				2,811		2,811
Contributions from General Fund	2,831	2,434			2,831	2,434
Proceeds from Disposals of Fixed Assets	181	382		14	181	396
Other			82		82	
	181	382	478	2,836	659	3,218
APPLICATION OF FUNDS						
Capital Assets Acquired	35	238	4	2,197	39	2,435
Other Applications				228		228
	35	238	4	2,425	39	2,663
INCREASE IN WORKING CAPITAL	146	144	474	411	620	555
Opening Working Capital	5,748	5,604	2,964	2,553	8,712	8,157
Closing Working Capital	5,894	5,748	3,438	2,964	9,332	8,712



Service Funds

Mechanical Services
The Mechanical Services Department supplies most civic departments with vehicles and equipment. It owns and maintains most of those assets and leases the rest.

Real Estate Services
The Land Department acquires lands for both civic uses and development of industrial subdivisions. Properties are leased out pending their final use.

THE CITY OF CALGARY SERVICE FUNDS
BALANCE SHEET - Unaudited
December 31, 1985 (in thousands of dollars)

	MECHANICAL SERVICES		REAL ESTATE SERVICES		TOTAL	
	1985	1984	1985	1984	1985	1984
ASSETS						
Cash	1	1		6	1	7
Investments and accrued interest				4,996		4,996
Due from other governments	346	458	100	112	446	570
Other receivables	6	9	3,897	4,141	3,903	4,150
Inventories	2,281	2,181	20,101	24,927	22,382	27,108
Due from other funds	2,365	2,836			2,365	2,836
Other current assets	68	27			68	27
	5,067	5,512	24,098	34,182	29,165	39,694
Uncompleted Capital Projects	325				325	
Fixed assets	78,546	79,254	5,602	4,252	84,148	83,506
Less - accumulated depreciation	(41,207)	(33,262)	(1,119)	(968)	(42,326)	(34,230)
	37,664	45,992	4,483	3,284	42,147	49,276
Land inventory			74,931	64,888	74,931	64,888
Long term receivables			3,356	3,227	3,356	3,227
	42,731	51,504	106,868	105,581	149,599	157,085
LIABILITIES						
Accounts payable	1,930	1,294	1,815	7,228	3,745	8,522
Accrued interest	1,190	1,580	318	361	1,508	1,941
Contractors' holdbacks		1	69	186	69	187
Deferred revenue	94	268	307	295	401	563
Due to other funds			9,244	15,900	9,244	15,900
	3,214	3,143	11,753	23,970	14,967	27,113
Long term debt	24,923	32,944	12,451	14,320	37,374	47,264
EQUITY						
Equity in capital assets	14,175	15,290	6,040	4,657	20,215	19,947
Surplus	419	127	76,624	62,634	77,043	62,761
	14,594	15,417	82,664	67,291	97,258	82,708
	42,731	51,504	106,868	105,581	149,599	157,085

THE CITY OF CALGARY MECHANICAL SERVICES
STATEMENT OF REVENUE AND EXPENDITURE - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	1985	1984
REVENUE		
Sales of Services		
Shops and Equipment Division		
Civic departments	2,526	2,125
Third party	37	36
Garage Division		
Civic departments	1,168	1,022
Third party	28	21
Rentals to Civic Departments	44,636	42,447
Other Revenue		
Gain on disposals of fixed assets	240	127
Investment income	420	520
Federal Government tax rebates	179	
Conditional Transfers from Province		
Debenture interest rebates	1,221	1,525
	50,455	47,823
EXPENDITURE		
Operations		
Shops and equipment	7,884	7,643
Garage	9,631	8,826
Rental	20,382	17,760
Administration	3,767	3,738
Fiscal Charges	4,372	5,436
	46,036	43,403
EXCESS OF REVENUE OVER EXPENDITURE	4,419	4,420
Allocated as follows:		
Reserve for Capital Expenditures	419	127
Contribution to General Fund	4,000	4,293
	4,419	4,420

THE CITY OF CALGARY REAL ESTATE SERVICES
STATEMENT OF REVENUE AND EXPENDITURE - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	1985	1984
REVENUE		
Sales of Land		
Civic departments	8,107	6,324
Development projects	1,710	3,694
General lands	4,048	1,166
Other Revenues		
Option fees	701	1,557
Rentals to civic departments	653	802
Rentals to others	5,443	4,945
Sales commissions	165	(4)
Acquisition fees	423	118
Other	40	75
	21,290	18,677
EXPENDITURE		
Cost of Sales		
Civic departments	8,107	6,324
Development projects	359	1,609
General lands	560	1,370
Fiscal charges	2,649	2,598
Administration		
Acquisition	355	344
Administration	1,019	1,046
Sales	468	965
Property management	2,871	1,855
Net Loss on Cancelled Land Sales	291	4,487
	16,679	20,598
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	4,611	(1,921)
Allocated as follows:		
Contribution to (from) Reserve for Land Acquisitions	1,900	(5,203)
Contribution to General Fund	2,711	3,282
	4,611	(1,921)

THE CITY OF CALGARY SERVICE FUNDS
STATEMENT OF EQUITY - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	MECHANICAL SERVICES		REAL ESTATE SERVICES		TOTAL	
	1985	1984	1985	1984	1985	1984
EQUITY IN CAPITAL ASSETS						
Contributions from Operations						
Opening balance	13,854	9,219	4,657	3,440	18,511	12,659
Transfer from Surplus	127	448			127	448
Debentures redeemed			1,383	1,217	1,383	1,217
Transfer from General Fund		4,791				4,791
Other	(1,086)	(604)			(1,086)	(604)
Closing balance	12,895	13,854	6,040	4,657	18,935	18,511
Capital Donations						
Opening balance	1,436	1,617			1,436	1,617
Less -						
Depreciation on donated assets.	(156)	(164)			(156)	(164)
Amortization of debt reduction savings		(17)				(17)
Closing balance	1,280	1,436			1,280	1,436
	14,175	15,290	6,040	4,657	20,215	19,947
SURPLUS						
Reserves						
Opening balance	127	448	62,634	78,837	62,761	79,285
Contribution from (to) Revenue	419	127	1,900	(5,203)	2,319	(5,076)
Transfer to Equity in Capital Assets	(127)	(448)			(127)	(448)
Transfer (to) from General Fund			12,090	(11,000)	12,090	(11,000)
Closing balance	419	127	76,624	62,634	77,043	62,761

THE CITY OF CALGARY SERVICE FUNDS
STATEMENT OF CHANGES IN FINANCIAL POSITION - Unaudited
Year Ended December 31, 1985 (in thousands of dollars)

	MECHANICAL SERVICES		REAL ESTATE SERVICES		TOTAL	
	1985	1984	1985	1984	1985	1984
SOURCE OF FUNDS						
Excess (Deficiency) of Revenue over Expenditure	4,419	4,420	4,611	(1,921)	9,030	2,499
Add non working capital items	8,339	7,967	193	655	8,532	8,622
Net Contribution from Operations	12,758	12,387	4,804	(1,266)	17,562	11,121
Long Term Debt Issues		400				400
Proceeds from Disposals of Fixed Assets	565	574			565	574
Land Inventory Transferred to Current			1,174	5,768	1,174	5,768
Interfund Transactions		7,036	12,090		12,090	7,036
	13,323	20,397	18,068	4,502	31,391	24,899
APPLICATION OF FUNDS						
Capital Assets Purchased by City	1,818	1,404	1,350		3,168	1,404
Long Term Receivables Acquired				97		97
Land Inventory Acquired			11,388	4,389	11,388	4,389
Long Term Debt Redemptions	8,021	7,610	486	486	8,507	8,096
Contributions to General Fund	4,000	4,293	2,711	3,282	6,711	7,575
Interfund Transactions		7,575		11,000		18,575
	13,839	20,882	15,935	19,254	29,774	40,136
INCREASE (DECREASE) IN WORKING CAPITAL	(516)	(485)	2,133	(14,752)	1,617	(15,237)
Opening Working Capital	2,369	2,854	10,212	24,964	12,581	27,818
Closing Working Capital	1,853	2,369	12,345	10,212	14,198	12,581